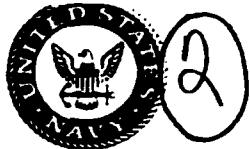


Navy Personnel Research and Development Center

San Diego, California 92152-6800

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July 1991



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**Experimental Civilian Personnel Office Project
(EXPO):
Final Report for Nonappropriated Fund Sites**

Joyce Shettel-Neuber
John P. Sheposh
Carol A. Hayashida
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13 ABSTRACT (Maximum 200 words) The purpose of this report is to document the evaluation of the Experimental Civilian Personnel Office Project (Project EXPO). The aim of Project EXPO was to design and test initiatives that streamlined and simplified personnel management procedures and policies employed in the Department of Defense. Seventeen nonappropriated fund (NAF) sites were evaluated: two U.S. Army, Europe, activities located in Heidelberg and Stuttgart, West Germany; two Army sites under the Training and Doctrine Command; eight Air Force installations, one in Europe, one in the Pacific, and six in the Continental United States, and five Navy sites, four in the United States and one in Spain. NAF sites generate income through some of their activities such as bowling centers and golf courses. The initiatives implemented were designed to (1) enhance the responsiveness, flexibility, and cost-effectiveness of the personnel system and (2) enable the NAF activities to operate in a manner similar to that of private businesses. The evaluation covered a 2-year test period. Data sources included attitudinal surveys; standardized on-site interviews of personnelists, managers, and supervisors; existing data bases; budgetary data; and other documents provided by the test sites. The results indicate that EXPO initiatives had a positive impact on NAF operations.			
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FOREWORD

This report documents the evaluation of personnel changes implemented over the past 2 years at 17 nonappropriated fund (NAF) sites under the Experimental Civilian Personnel Office Project (EXPO). Sites included two U.S. Army, Europe activities located in Heidelberg and Stuttgart, West Germany; two Army sites under the Training and Doctrine Command; eight Air Force installations, one in Europe, one in the Pacific, and six in the Continental United States; and five Navy sites, four in the United States and one in Spain. The Navy Personnel Research and Development Center (NPRDC) conducted the evaluation for the Office of the Deputy Assistant Secretary of Defense for Civilian Personnel Policy, Department of Defense (DOD). The evaluation efforts were funded under Program Element No. 1711319.W999, Work Unit No. DWAM 0012. A second evaluation assessing changes in personnel policies within the appropriated fund sector has also been completed and the report of that evaluation is in the process of review.

The aim of Project EXPO was to design and test initiatives that would streamline and simplify personnel management procedures and policies employed in the DOD. Implementation of these initiatives was intended to enhance the responsiveness, flexibility, and cost effectiveness of the personnel system and to enable the NAF activities to operate in a manner similar to that of private businesses.

There were many people who were instrumental in the success of Project EXPO. First and foremost was Frank P. Cipolla who first proposed the concept of EXPO and who was a source of guidance and support throughout the course of the Project. The authors also wish to credit participants from the Air Force, Army, Defense Logistics Agency, and Navy headquarters, support activities, and the project sites who worked hard to ensure that the Project EXPO initiatives would be implemented. They became involved directly in training, orientation efforts, and evaluation activities. The authors are grateful for their tireless efforts to gather data for NPRDC and for the ideas they volunteered that have been so useful to the evaluation effort.

The authors wish to extend a special acknowledgement to Roberta Ryan of NPRDC, whose contributions to the preparation of this manuscript were invaluable. The authors would also like to thank Annette Stout, also of NPRDC, for her assistance in preparation of the many complex tables that document the results of the evaluation.

For further information about Project EXPO, readers should contact Dr. Joyce Shettel-Neuber, Code 16, Navy Personnel Research and Development Center, San Diego, CA 92152-6800, (619) 553-7948 or AUTOVON 553-7948.

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SUMMARY

Problem

The Federal Government continues to face new challenges and problems that stem from constantly changing conditions--economic, political, and cultural. These conditions have direct implications for the management and administration of personnel systems. Changes in the composition of the work force, the scaling down of agencies, and the decreases in funding provide the impetus to re-examine public personnel policies and to develop and test new ones that promise to be more efficient and productive.

Purpose

To revitalize and streamline personnel management systems in the Department of Defense (DOD), the Office of the Deputy Assistant Secretary of Defense for Civilian Personnel Policy established the Experimental Civilian Personnel Office Project (EXPO). The aim of Project EXPO was to design and test initiatives that streamlined and simplified personnel procedures and policies employed in DOD. In addition to the benefits to be derived from the initiatives, Project EXPO would also provide empirical information that would help to redefine and validate some of the personnel management functions in Defense activities. Finally, the innovations tested could serve as a basis for designing new human resource management systems, which could have government-wide applications.

Approach

Project EXPO got under way in 1986. Originally, Civilian Personnel Offices (CPOs) representing the major DOD components (Air Force, Army, the Defense Logistics Agency, and Navy) proposed initiatives relevant only to appropriated fund (APF) activities. The evaluation of the initiatives tested at Project EXPO APF sites is described in a separate report, *Experimental Civilian Personnel Office Project (EXPO): Final Report for Appropriated Fund Sites* (in process). The general thrust of Project EXPO required each project office to identify mission-essential tasks, select the tasks that could be modified to produce a more responsive CPO, and implement and test the changes. The changes proposed were required to conform to existing laws and statutes governing the civil service system. The test was to last 3 years.

Subsequently, similar experimentation was initiated at 17 nonappropriated fund (NAF) activities: two U.S. Army, Europe activities located in Heidelberg and Stuttgart, West Germany; two Army sites under the Training and Doctrine Command (TRADOC); eight Air Force installations, one in Europe, one in the Pacific, and six in the Continental United States; and five Navy sites, four in the United States and one in Spain.

The initiatives tested in NAF activities were designed to enhance the responsiveness, flexibility, and cost effectiveness of the personnel system and to enable the NAF activities to operate in a manner similar to that of private businesses.

The initiatives included (1) the replacement of the NAF position descriptions and pay schedules with position guides and a pay band system, (2) streamlined employment categories, (3) simplified staffing procedures performed by managers with support from Personnel, (4) simplified

performance appraisals, (5) an increased use of incentive awards to recognize employee performance, (6) revenue sharing, (7) business-based personnel actions designed for rapid responses to changing business conditions and the retention of top performers, (8) simplified disciplinary procedures, and (9) simplified grievance procedures.

The Navy Personnel Research and Development Center helped to conduct the evaluations and analyze the data. Sources included attitudinal surveys; standardized on-site interviews of personnelists, managers, and supervisors; existing data bases; budgetary data, and other documents provided by the test sites. Some areas were assessed by existing instruments. Other areas were assessed by a questionnaire/interview format designed specifically to address the EXPO changes. Evaluation covered a 2-year test period for most of the sites. For the two TRADOC sites and the five Navy sites, evaluation covered just one test year because of their late entry into Project EXPO.

Results and Conclusions

An analysis of the NAF performance indicators, questionnaires, and interviews documents that the NAF segment of EXPO has had a positive impact on NAF operations and profitability of revenue-generating activities has remained stable. Important findings include the following:

- A key to the success of Project EXPO was the support and involvement of NAF managers and Headquarters staff.
- Since the adoption of EXPO, the amount of time required to fill positions has decreased appreciably.
- Results of the effect of NAF EXPO on financial indicators such as profitability are mixed. There are no sharp increases in costs attributable to NAF EXPO and most NAF activities in the test are operating profitably.
- Pay banding is a promising approach to improving human resource management in NAF activities and its use should be continued with further refinements.
- Pay banding and the increased use of cash awards have enabled managers to attract, retain, and reward the best employees.
- Managers and supervisors approve of EXPO initiatives. They prefer the new system to the old.
- Enactment of the Military Child Care Act of 1989 and reduction in appropriated fund support of NAF activities have made it more difficult to run profitable operations. Managers report that Project EXPO has helped them meet these challenges.
- EXPO changes could be enacted at other DOD sites with the expectation that they would improve NAF operations, provided that appropriate education and training resources are available.

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INTRODUCTION

The Call for Change

The Federal Government continues to face new challenges and problems that stem from constantly changing conditions--economic, political, and cultural (Newman, 1989). These conditions have direct implications for the management and administration of personnel systems. Changes in the composition of the work force, the scaling down of agencies, and the decreases in funding provide the impetus to re-examine public personnel policies and to develop and test new ones that promise to be more efficient and productive.

The call for reforms in the Federal Government gained momentum in the late 1970s and 1980s, with numerous evaluations concluding that the personnel system had become cumbersome and ineffective. The Civil Service Reform Act (1978) instituted management reforms to correct difficulties in the centralized, inflexible personnel management system, yet the call for reforms continued. The White House Council's Federal Laboratory Review Panel (1983) concluded that the Department of Defense's (DOD's) micro-management and bureaucratic systems caused inefficiency, overstaffing, and an inadequate linkage between awards and performance. The Panel recommended that changes be considered in the rules, regulations, and procedures governing the civilian personnel management systems to enhance overall performance. In another study that same year, a panel of the National Academy of Public Administration (NAPA) came to similar conclusions (1983). The panel reported that management systems in the Federal Government were so constrained as to "reduce rather than enhance management effectiveness" (p. 1). Later, in 1985, a private firm, McManis Associates Inc., examined private sector and government personnel operations and reported that there was a need for change in human resources management that integrates human resource planning with business/program planning and streamlines human resource administration. Finally, in a Senate subcommittee hearing (14 May 1986), the Director of the Office of Personnel Management (OPM), Constance Horner, testified that "the Government's personnel system is broadly perceived not to be working as it should be," and suggested the need to put in place a more dynamic management system built around people, not paper.

The Reform '88 and Grace Commission reports (McManis, 1985) called for comprehensive changes in the management of government human resources. They pointed to the disparity in the size of personnel staffs relative to the number of employees serviced, the inability of Civilian Personnel Office (CPO) functional activities to meet human resource needs, and cumbersome CPO structures and processes. The NAPA panel (1983) noted that personnelists' time is monopolized by procedural tasks, leaving no time to work with managers and nonsupervisory employees on human resource issues, on *positive* personnel work. They concluded that a "more advanced concept of personnel system value and accountability" was needed that "goes beyond the advances of the Civil Service Reform Act by placing responsibility for effective personnel management squarely in the hands of the managers, and not in the personnel organization" (p. 38).

It is obvious that key aspects of human resource management and functions of CPOs need to be reorganized to enhance efficiency, productivity, and quality. Administrative procedures, rules, and regulations, so common in all Federal agencies, have exacted a cost in terms of tying management's hands and limiting employee opportunity. However, no one system can be designed to meet all needs. Federal agencies have different missions, environments, challenges, and

problems. Personnel policies need to be tailored to fit individual agencies. The general direction of these proposed changes seems to be a move away from a strict centralized system. In its place is one that promotes delegation of authority to supervisors and managers and adaptation of systems to the unique needs of organizations (Swift, 1989).

To revitalize and streamline personnel management systems in the DOD, the Office of the Deputy Assistant Secretary of Defense for Civilian Personnel Policy (ODASD (CPP)) established the Experimental Civilian Personnel Office Project (EXPO). The project provided participants with a unique opportunity to improve personnel management systems by proposing and testing innovative policies and procedures.

Project EXPO Background

Project EXPO got under way in 1986 through sponsorship of the ODASD (CPP). The aim of Project EXPO was to design and test initiatives that streamlined and simplified procedures and policies employed in the CPOs of the DOD. Initially, 11 DOD CPOs representing the major DOD components (Air Force, Army, the Defense Logistics Agency, and Navy) expressed an interest in participating in the project. All 11 participants were from appropriated fund (APF) activities.

Each participating CPO proposed initiatives relevant to operations at its site. The changes proposed were required to conform to existing laws and statutes governing the civil service system. The general thrust of Project EXPO was for each participating site to identify mission-essential tasks and select the tasks that could be modified to produce a more responsive CPO. The initiatives proposed were germane to personnel management (e.g., delegation of classification authority) and personnel administration (e.g., simplified personnel documents). The initiatives, as a whole, signified a movement toward greater delegation of authority and control to supervisors and managers, with the goal that the personnel system would become more efficient, flexible, and responsive.

The proposals were submitted to the OPM for approval under the provisions for research programs in Title 5, United States Code (U.S.C.), Chapter 47. On 13 May 1987, OPM completed its review and approved a number of the EXPO proposals. Because of the numerous and diverse requests (62) contained in the package and the legal constraints regarding the waiving of regulations not meeting the requirements in 5 U.S.C. 4703, OPM's analysis was lengthy. Eight requests were judged to fall outside OPM's authority in Title 5 and were not approved. This decision had a major impact on the proposed efforts of two sites and they chose not to continue to participate. Three other organizations withdrew from participation because of budget constraints and the need to refocus resources. Of the 11 original requesters, 6 remained. The size and scope of Project EXPO were, thus, substantially altered over this time period, but the project nevertheless was viewed as a real opportunity to make a difference in future Federal personnel management organizations and operations. Project EXPO was to run for 3 years, with completion scheduled for March 1990.

The initiatives proposed and implemented by the 6 APF sites covered several aspects of personnel management and administration (e.g., delegation of classification, nonpunitive discipline, one-stop service centers). A more detailed treatment of the APF initiatives is in preparation (Shettel-Neuber et al., in process).

Nonappropriated Fund Site Involvement

At the time the APF sites entered Project EXPO, nonappropriated fund (NAF) DOD activities were subjected to the same evaluations calling for improved personnel management. In 1985-86, the Department of the Army Inspector General, at the Army Chief of Staff's request, conducted a worldwide review of its civilian personnel system--both APF and NAF--and found a rule-bound, inefficient, ineffective system that was not meeting customer needs and expectations. At the same time, NAF activities were coming under increasing scrutiny by Congress, and pressure was being exerted to make self-sufficient those activities that were capable of generating revenues (e.g., bowling centers, golf courses). In a meeting held in 1988 to consider the 1989 Defense Authorization Act, the House Armed Services Committee advocated reduced levels of appropriations for Morale, Welfare, and Recreation (MWR) activities capable of generating revenues. The 1989 Authorization Act called for MWR activities that could not become self-sustaining, such as libraries, to continue to receive some APF support. Activities that could generate substantial revenues were directed to operate on a businesslike basis with minimal APF support. The need for reforms in NAF personnel practices and for self-sufficiency of NAF activities, thus, laid the groundwork for the development of a revised system of human resource management in NAF activities.

As a result of the Army Inspector General review, the Army Chief of Staff established a task force to correct the problems identified in the civilian personnel program for both APF and NAF activities. A United States Army, Europe (USAREUR) representative served on the task force and helped develop a plan for a new NAF personnel system. The concept for the system was approved by the Army and submitted to the ODASD (CPP) for inclusion in Project EXPO. ODASD (CPP) approved a 2-year test for implementation in USAREUR, to begin no later than 1 April 1988, and to involve Heidelberg and Stuttgart military communities as experimental sites and Frankfurt military community as a nonexperimental comparison site.

Because the NAF personnel system is not under Title 5 U.S.C. (with the exception of Crafts and Trades, see Method section, p. 6) and, therefore, open to more extensive experimentation with pay and performance appraisal, the new system of personnel management being tested by USAREUR quickly attracted the interest of NAF activities in the other DOD components. Several months after the start of the USAREUR test, the Air Force developed a plan for a similar personnel system for its NAF activities and 8 Air Force sites began testing the system under Project EXPO in the Fall of 1988. In 1989, two additional Army sites under the Training and Doctrine Command (TRADOC) and five Navy NAF sites, four in the Continental U.S. and one in Spain, were added to the project.

The initiatives being implemented and tested at the NAF activities are presented in Figure 1. As can be seen from Figure 1, each site tested several initiatives. As a package, the initiatives were designed to (1) reduce administrative and procedural requirements; (2) enhance the responsiveness, flexibility, and cost-effectiveness of the personnel system, and (3) enable the NAF activities to operate in a more "businesslike" mode. An example of this is the pay setting policies that give managers flexibility in recommending pay for new hires, enabling them to attract strong candidates. It is important to note that while the same initiatives were tested across sites, the specific features of each initiative differed according to the requirements of each site. A more detailed description of the initiatives is presented in the Method section.

Components				
Initiatives	Army USAREUR (2 sites)	Army TRADOC (2 sites)	Air Force (8 sites)	Navy (5 sites)
Position classification and pay	X	X	X	X
Employment categories	X	X	X	
Staffing	X	X	X	X
Performance evaluation	X	X	X	X
Incentive awards	X	X	X	X
Revenue sharing		X		
Business-oriented personnel actions	X	X	X	X
Disciplinary actions	X	X	X	X
Grievance system	X	X	X	X

Figure 1. Initiatives implemented by EXPO NAF sites.

The initiatives tested under Project EXPO for the NAF sites were more extensive in nature than those at the APF sites because of different regulations that apply to personnel management. The NAF changes, however, were still within the guidelines of laws, executive orders, and OPM rules that cover NAF employment. The following list identifies those rules, orders, and laws that still applied to Project EXPO NAF participants:

- P. L. 88-448, "Dual Compensation Act of 1964";
- P. L. 90-206, Dec. 16, 1967; P. L. 95-454, Oct. 13, 1978; FPM, Chap. 310, "Employment of Relatives";
- P. L. 92-261, "EEO Act of 1972";
- P. L. 93-259, "Fair Labor Standards Amendments of 1974";
- P. L. 95-256, "Age Discrimination in Employment Act Amendments of 1978";

- P. L. 98-94, "DOD Authorization Act, 1984"--provides whistle-blower protection to NAF employees;
- P. L. 99-145, "DOD Authorization Act," Nov. 8, 1985, and E. O. 12568, Oct. 2, 1986--Spousal Employment;
- P. L. 99-603, "Immigration Reform and Control Act of 1986"--employment eligibility verification system.

Role of Project EXPO Participants

The management and evaluation of Project EXPO required the involvement of the Office of Civilian Personnel Policy of the ODASD, OPM, an internal implementation and evaluation team for each site, and an external evaluation team from the Navy Personnel Research and Development Center (NPRDC). The overall project was managed by the Project EXPO Steering Committee, chaired by the Director, Personnel Management, Office of Civilian Personnel Policy of ODASD. Also on the Steering Committee were civilian personnel directors from the major DOD components (Air Force, Army, Defense Logistics Agency, and Navy), a representative from the Research and Demonstration Division of OPM, and representatives from NPRDC. The EXPO Steering Committee was responsible for oversight of the project, approving selection of test participants and serving as a board of directors. With the inclusion of the NAF sites, the Director of NAF Personnel Policy for DOD as well as representatives from the various NAF activities were added to the Steering Committee.

The Research and Demonstration Division of OPM, responsible for research and demonstration projects that test innovations in personnel management under 5 U.S.C. 4703, gave final approval to Project EXPO proposals. The OPM Steering Committee representative also provided advice, information, and direction on questions concerning policy issues. OPM also had responsibility for approval of the final evaluation report.

Internal evaluators from each site and external evaluators from NPRDC assessed Project EXPO. The internal evaluation teams took the lead in collecting regularly recurring data from records and reports. The NPRDC evaluators (1) assisted the internal evaluators in developing assessment plans; (2) designed measurement instruments; (3) gathered information from site visits that was used for diagnostic and evaluative purposes; (4) oversaw the collection, analysis, and integration of selected data that describe the progress of Project EXPO, and (5) were responsible for assessing the overall EXPO effort. External and internal evaluators submitted quarterly progress reports to the EXPO Steering Committee.

In summary, Project EXPO enabled DOD organizations to test various initiatives that could potentially increase the efficiency and effectiveness of personnel services. In addition to the benefits derived from the initiatives, Project EXPO also provided empirically derived information to help redefine and validate some of the basic purposes/roles of the civilian personnel functions in Defense activities. Finally, the innovations tested under EXPO can serve as the basis for new personnel systems within the Federal Government.

METHOD

Participating Sites

Seventeen nonappropriated fund (NAF) sites participated in Project EXPO. Nonappropriated funds consist of cash and other assets obtained by the military from sources other than Congressional appropriations. NAF activities include Billeting, which manages a wide variety of quarters to house personnel associated with the military, and MWR activities. MWR activities, which provide recreational, social, and welfare support for military communities, are supported, at least in part, by nonappropriated funds. MWR activities include clubs, bowling centers, golf courses, tennis courts, swimming pools, and gymnasiums. Some activities (e.g., clubs) are revenue-generating, whereas others (e.g., libraries) are not.

NAF activities may be operated with both nonappropriated and appropriated funds and employ both NAF and civil service employees. However, NAF employees are not governed by the same rules and regulations that govern other Federal employees. A separate NAF personnel system exists that affects pay, retirement, leave, and insurance programs. The NAF personnel system that Project EXPO sought to simplify had been in existence since the early 1970s. Regulations for the NAF system had become more complex over time, incorporating many policies and regulations from the civil service personnel management system.

Because the Secretary of Defense is the Salary and Wage Fixing Authority for DOD NAF employees, experimentation with pay banding was possible under Project EXPO, with one exception. Employees within the Crafts and Trades (CT), whose pay is governed by law, were not able to participate in pay-related initiatives. These CT employees (nonsupervisory [NA], leaders [NL], and supervisory [NS]) comprise approximately half of the NAF work force and occupy such jobs as food service worker, cook, waiter, custodial worker, bartender, and mechanic. The remainder of the NAF employees (Universal Annual [UA], Administrative Support [AS], and Patron Services [PS] employees), who occupy such positions as cashier, sales clerk, recreational aid, accounting technician, and clerk typist, as well as technical, professional, and managerial positions, were able to participate in the test of pay-related changes. All NAF employees were subject to *nonpay-related modifications* under Project EXPO (e.g., modified employment categories, modified performance appraisal).

Air Force

Eight NAF sites volunteered to participate in the Air Force test of Project EXPO initiatives. Of those sites, six are in the Continental U.S., one in Hawaii, and one in West Germany.

Andrews Air Force Base. Andrews Air Force Base is located in Maryland, approximately 10 miles southeast of Washington, DC. Over 6,000 active duty military are stationed there. Recreational facilities include a bowling center, officers' and noncommissioned officers' (NCO) clubs, a golf course, arts and crafts centers, pools, and gyms. The cost of living in the area is high, making it difficult to attract and retain NAF employees. Andrews employs approximately 750 people in NAF activities, half of whom are in Crafts and Trades.

Chanute Air Force Base. Chanute Air Force Base is located in east central Illinois (Rantoul, IL), 14 miles north of Champaign/Urbana, and 125 miles south of Chicago. The Chanute AFB mission began in May 1917, when it opened as a pilot training base. Today it is the location of one of six technical training centers within the Air Training Command, providing training in such areas as missile and aircraft mechanics, aerospace ground equipment, weather forecasting, weather equipment, and fire protection and rescue. It has a permanent military population of approximately 4,000 and approximately 1,000 appropriated fund (APF) civilian employees and 300 NAF civilian employees, of whom approximately 60 percent are CT employees. It is one of the Air Force facilities that is scheduled for closure.

Davis-Monthan Air Force Base. Davis-Monthan Air Force Base is located on the outskirts of Tucson, AZ, and has over 5,000 active duty personnel. The recreation activities service active duty personnel and a large number of retired patrons. The desert climate facilitates year-round outdoor activities. The main revenue-generating activities are the Officers' Club, NCO Club, bowling center, and golf course. There are approximately 370 NAF employees at Davis-Monthan, approximately 45 percent pay-banded and 55 percent in Crafts and Trades.

Hickam Air Force Base. Hickam Air Force Base is located 9 miles west of Honolulu on the island of Oahu and is the main Air Force base in Hawaii. MWR facilities available at Hickam include golf, bowling, tennis, sailboat and deep sea fishing boat rentals, and officer and NCO clubs. The resort economy and preponderance of competing jobs in the local area (e.g., fast food workers, waiters) make it difficult to attract and retain NAF employees. Hickam MWR employs approximately 900 employees, roughly half of whom are CT and half NAF pay-banded employees.

Minot Air Force Base. Minot Air Force Base is located in Minot, ND. Farms and small towns dominate the Northern Plains area, which is known for its particularly harsh winters. There is a strong sense of community in the area, with a belief that people need to work together to survive the sometimes hostile environment. Minot is the major Strategic Air Command (SAC) base for the Minuteman III ICBM and the B-52H bomber. The main revenue generators among NAF activities include the NCO and Officers' open messes, the golf course, and bowling center. There are approximately 250 NAF employees at Minot, of whom approximately half are in Crafts and Trades. Competition from off-base business is not a factor in attracting and retaining employees at Minot.

Patrick Air Force Base. Patrick Air Force Base is located on the Florida coast 3 miles south of Cocoa Beach. The base population is large and includes approximately 4,000 military members, 1,600 civilian employees, and almost 500 NAF employees. Many retirees also use the base facilities. The local economy is very strong, primarily because of tourists who are drawn to the climate and location for outdoor and water activities. The main sources of NAF revenue are the NCO and Officers' Clubs, the golf course, bowling center, and marinas. Of the 500 NAF employees, approximately 200 are pay-banded.

Sembach Air Base. Sembach Air Base is located in the southern part of West Germany in scenic, rolling hills. It is about 9 miles northeast of Kaiserslautern, a city of more than 100,000, located 70 miles southwest of Frankfurt. The base is home to the 601st Tactical Control Wing, which is responsible for radar control and surveillance of U.S. and other NATO aircraft involved in defensive air operations over central Europe. The NAF activities employ approximately 525 people, half of whom are pay-banded. The main revenue-generating activities include the Officers'

and NCO Clubs, the bowling center, and the Information Tickets Tours office that arranges trips to surrounding areas and attractions (e.g., Heidelberg Castle, Paris).

F. E. Warren Air Force Base. F. E. Warren Air Force Base is located at Cheyenne, WY, approximately 90 miles from Denver, CO. The base was activated July 1867 under jurisdiction of the Army. Presently, Warren has missile sites distributed over 12,600 square miles in Wyoming, Colorado, and Nebraska. It is a small SAC base with a total of 3,000 military and civilian personnel. There are approximately 160 NAF employees, half of whom are pay-banded.

Army

United States Army, Europe (USAREUR). The test of Project EXPO initiatives in USAREUR involves the military communities of Heidelberg and Stuttgart, with the Frankfurt military community serving as a nonexperimental control site.

Heidelberg Military Community. Heidelberg is situated in south-central West Germany, between Stuttgart in the south and Frankfurt in the north. The personnel assigned to the Heidelberg Military Community (HMC) comprise the staffs of Headquarters, U.S. Army, Europe; Seventh U.S. Army; Headquarters, Medical Command; Central Army Group (NATO); and the First Personnel Command, which provides personnel and administrative support to the soldiers assigned to the U.S. Army, Europe. The U.S. population in the Heidelberg area is approximately 24,000, representing people who work and live at a number of installations throughout the area. MWR activities include clubs, a child-care center, vehicle registration, and recreational facilities. The local economy is strong, therefore, local nationals with hiring priorities do not want NAF jobs. Many tourists, however, are hired for the NAF positions. The HMC includes approximately 800 NAF employees.

Stuttgart Military Community. Stuttgart has a population of over 600,000 and is known for its woods, parks, and the headquarters for Mercedes Benz and Porsche manufacturers. The Stuttgart Military Community (SMC) actually consists of 32 U.S. Army installations located throughout the city of Stuttgart and in the surrounding countryside. The types of units stationed in the SMC range from headquarters to infantry and maintenance. The overall U.S. military population in the area is about 26,000. Approximately 700 NAF employees are in the SMC.

Frankfurt Military Community. The city of Frankfurt is an important financial center noted for manufacturing and commerce. It has a population of over 600,000 people. The Frankfurt Military Community (FMC) is one of the largest U.S. military communities in Germany, with over 25,000 military and civilian personnel and their families living there. It is spread out over a number of installations and facilities throughout the city. There are approximately 450 NAF employees at Frankfurt.

Training and Doctrine Command (TRADOC). The test of Project EXPO initiatives in the Continental U.S. involved two sites, Ft. Gordon and Ft. Eustis.

Ft. Gordon. Ft. Gordon is located 10 miles southwest of Augusta, GA. It is within a 3-hour drive of Atlanta, GA, and Charleston, SC. Approximately 14,000 active duty military and 6,000 civilians are stationed at Ft. Gordon, which is a major employer in east Georgia. The primary mission of Ft. Gordon is to conduct Signal Corps instruction for officers, warrant officers,

noncommissioned officers, enlisted and civilian personnel, as well as personnel from other services and allied countries. MWR facilities at Ft. Gordon include bowling centers, an auto crafts shop, golf courses, stables, a fitness center, and recreation lakes. Ft. Gordon employs approximately 250 people in MWR activities, approximately half in Crafts and Trades.

Ft. Eustis. Ft. Eustis is located in Virginia between Williamsburg and Newport News. In 1946, Ft. Eustis became the principal training post for the Army Transportation Corps, and today it is home to the Army Transportation Center and School. The "ship that never sails" is a landship, built into a pier, that is used to conduct classes in cargo handling operations. Personnel assigned to the post train thousands of officers and enlisted soldiers every year in aviation maintenance and harborcraft operations and maintenance. Ft. Eustis is home to approximately 10,000 active duty military personnel. MWR facilities include a bowling alley, roller rink, pool, 18-hole golf course, boating, hunting, and fishing areas, and flying and saddle clubs. There are approximately 235 NAF employees at Ft. Eustis, half of whom are in Crafts and Trades.

Navy

Five Navy NAF sites participated in EXPO initiatives. Four of the sites are located in the Continental U.S. and the fifth is in Rota, Spain.

Naval Air Station, Alameda, CA. Alameda Naval Air Station is located across the bay from San Francisco, CA. Its active duty personnel number approximately 10,000, and approximately 40,000 active duty and retired military and dependents are eligible to use NAF facilities. Major MWR activities include a bowling alley, pool, marina, and gym. The nearby ocean, mountains, and the city of San Francisco are other attractions. The area unemployment rate is approximately five percent, and NAF managers report that the local labor pool, comprised mainly of unskilled and semi-skilled individuals, provides them with a good supply of candidates for positions. Of the NAF work force of 250, approximately 150 are CT employees.

Naval Station, San Diego, CA. The San Diego Naval Station is one of the more than a dozen naval installations in the San Diego area. It occupies approximately 1,100 land and sea acres along the eastern shore of San Diego Bay. It is home to over 7,000 military personnel and supports a civilian work force of about 5,200. More than 30,000 officers and enlisted personnel are attached to the station from the dozens of ships berthed there. The station is the Navy's major West Coast logistics base for surface operations, dependent activities, and tenant activities. The station has a variety of recreational services including swimming pools, tennis courts, racquetball courts, one 9-hole and two 18-hole golf courses. Approximately half of the work force, which averages 650 people, are CT employees.

Naval Training Station, San Diego, CA. The San Diego Naval Training Station occupies 608 acres along the north shore of San Diego Bay. The station graduates 70,000 personnel annually from the Recruit Training Command and Service School Command. The average population is approximately 15,000 people. The center also has a full range of MWR services, including clubs and messes, a bowling center, a golf course, and a marina. There are approximately 450 NAF employees, approximately half of whom are in Crafts and Trades.

Naval Submarine Base, New London, Groton, CT. New London Submarine Base is located along the east bank of the Thames River, approximately 6 miles from Long Island Sound. The base supports a population of 70,000 military and civilian personnel, is home to the Navy's Submarine School, and is home port for the vessels and crews of numerous submarine groups and squadrons. Many parks, beaches, and hunting and fishing areas are available throughout the region and are open year-round. Boating is also a very popular pastime in this part of New England. MWR recreation facilities include bowling centers, gyms, a golf course, a marina, and an ice rink. The job market in the area is very competitive, reflective of an extremely high cost of living. Of approximately 325 employees, almost half are in Crafts and Trades.

Naval Station, Rota, Spain. Rota is located on the Atlantic coast of southwest Spain, across the bay from the city of Cadiz. The climate in this part of Spain is sunny and warm. Recreational facilities include a 16-lane bowling center, an on-base campsite with tenting and trailer hookups, a golf course, a marina, a 300-seat movie theater, and a riding stable. About 10 percent of the NAF work force of approximately 322 people are CT employees.

Description of the Changes

Air Force

The eight Air Force sites enacted the same basic package of changes with minor variations from site to site. The Air Force package of changes is described below.

Position Classification and Pay. Position guides have replaced position descriptions. The pay band system includes six pay bands that cover the positions previously covered by the Universal Annual (UA), Administrative Support (AS), and Patron Services (PS) pay schedules. Listed below are the six pay bands, the positions from the previous schedule which the pay bands replaced, and the pay band widths (percentage range from bottom to top of pay band).

<u>Pay Band</u>	<u>Former Schedule Position</u>	<u>Pay Band Width (%)</u>
I	AS/PS 1-4	47
II	AS/PS 5-6	26
III	AS/PS 7; UA 5-8	126
IV	UA 9-12	88
V	UA 13-14	54
VI	UA 15-18	32

As can be seen, the width of the pay bands varies considerably with pay bands III and IV being the widest. For example, the pay band width for pay band III is 126 percent. This means that the top pay level within the pay band is 126 percent more than the lowest pay level within that band. The pay bands were designed to provide managers with a high degree of flexibility to set salaries. Under the EXPO system, a supervisor may recommend a new employee's salary be set at any rate within the appropriate pay band. The Chief of MWR or Chief of Services or designee approves or disapproves the supervisor's recommendation. Because CT employees are not affected by the EXPO position classification and pay initiative, standardized position descriptions continue to be used for those positions, modified only to include qualifications, performance standards, and training requirements.

Supervisors may increase an employee's salary within the pay band at any time, and there are no within-grade step rates in the EXPO system. During the test period, there has been no classification review or auditing of positions nor have there been classification appeal rights in effect.

Employment Categories. There are two employment categories--permanent and flexible (known at the first of the experiment as "temporary"). A permanent appointment is used for employees guaranteed 20 to 40 hour of work per week. Employees with permanent appointments are entitled to full benefits. Flexible appointments are used for employees who have work schedules dependent upon the needs of the activity. Flexible employees may be scheduled to work from 0 to 40 hours per week. Employees whose appointments are flexible are eligible for overtime pay, awards, premium pay, and night differential. Employees on flexible appointments may be converted to permanent at any time by the approving official initiating the appropriate form.

Staffing. Management decides what job experience and skills are needed for a particular position and determines qualification requirements. Guidance is provided by the Human Resources Office (HRO), if requested by management. The managers are able to consider current NAF employees and/or individuals not employed by NAF, and to consider all applications received by them and the HRO. Managers must ensure that all military spouse applications have been considered for positions in pay bands III and below before a final selection is made.

Performance Evaluation. Supervisors informally discuss an employee's performance and record a summary of the conversation on the Supervisor's Record of Employee at least annually. There are only two ratings--"met required performance standard" and "did not meet required performance standard." If an employee's duties and responsibilities are identified as appropriate for a position within a higher pay band, he/she may receive a promotion.

Incentive Awards. All NAF employees may be considered for cash or honorary awards. A special act or service award may be given to an employee for a specific event that results in a unique contribution to the organization above and beyond the scope of assigned duties. Employees are also eligible to receive on-the-spot cash awards for making unique contributions to the organization.

Business-oriented Personnel Actions. An employee may be removed from a position by either a performance-based action or by a business-based action. A performance-based action may be taken when an employee fails to meet the written performance standards for the position to which he or she is assigned. An employee may be reassigned, placed in a lower paying position, or terminated. A business-based action may be taken if it becomes necessary to reduce the staff; the immediate supervisor may reassign, reduce pay and/or hours, or furlough employees by issuing a 24-hour notification. All permanent employees separated under these procedures with more than one year of service are entitled to severance pay.

Disciplinary Actions. Disciplinary actions may consist of oral admonishments, written reprimands, suspensions from duty without pay, or separations from duty for cause. Disciplinary actions may be taken in any order. Employees may grieve any formal disciplinary action. Employees separated for cause are not eligible for severance pay.

Grievance System. Grievances are resolved or decided at the lowest practical organizational level and in the shortest time possible. Deciding officials may grant all, part, or none of the requested relief sought by the grievant. An employee may be accompanied, represented, or advised by a representative of his or her choosing.

Army

USAREUR. The package containing the eight major changes listed below was implemented at Heidelberg and Stuttgart military communities under Project EXPO. The Frankfurt military community served as a control site, and, therefore, did not modify its procedures.

Position Classification and Pay. Pre-EXPO grades have been consolidated into broad pay bands. Seven pay bands cover the previous UA, AS, and PS schedules, as indicated below.

<u>Pay Band</u>	<u>Former Schedule Position</u>	<u>Pay Band Width (%)</u>
I	AS/PS 1-4	51
II	AS/PS 5-7	33
III	UA 5-8	78
IV	UA 9-11	58
V	UA 12-13	55
VI	UA 14-15	53
VII	UA 16-18	37

The supervisor may recommend a new employee's salary be set at any rate within the appropriate pay band. The single fund manager has final approval authority. There are no within-grade step rates. Pay increases may be awarded to employees whose performance is rated by the supervisor as "Excellent," the highest of three possible ratings that include "Satisfactory" and "Unsatisfactory." An employee may receive a promotion whenever his/her duties are identified as appropriate for a position within a higher pay band.

Employment Categories. There are two employment categories--permanent and temporary. A permanent appointment is used when the duties of the position are of a continuing nature (20-40 hours per week). Employees with permanent appointments are entitled to full benefits. Temporary appointments are used when the work is temporary, limited (2-40 hours per week), or sporadic in nature. Temporary appointments replace the present categories of temporary full-time, temporary part-time, intermittent regularly scheduled, and on-call. Employees whose appointments are temporary are eligible for overtime pay, awards, premium pay, and night differential. Employees on temporary appointments may be converted to permanent at any time by the approving official's initiation on the appropriate form.

Staffing. Management decides what job experience and skills are needed for the position and determines qualification requirements. Guidance is provided by the CPO, if requested. Managers may consider current NAF employees and/or individuals not employed by NAF, and consider all applications received by them and the CPO. Managers must ensure that all military spouse

applications have been considered for positions in pay bands III and below before a final selection is made.

Performance Evaluation. At least once a year supervisors discuss with the employee the employee's performance of duties and assign one of three levels of performance to the individual: Excellent--exceeds standards; Satisfactory--meets standards; or Unsatisfactory--fails to meet standards. An employee may receive a promotion whenever his/her duties and responsibilities are identified as appropriate for a position within a higher pay band.

Incentive Awards. All NAF employees may be considered for cash or honorary awards. A special act or service award may be given to an employee for a specific event that results in a unique contribution to the organization above and beyond the scope of assigned duties. Employees are also eligible to receive on-the-spot awards for making unique contributions to the organization.

Business-oriented Personnel Actions. Employees may be removed by either a performance-based action or by a business-based action. A performance-based action may be taken when an employee fails to meet the written performance standards for the position to which he/she is assigned. An employee may be reassigned, placed in a lower paying position, or terminated. A business-based action may be taken if it becomes necessary to reduce the staff; the immediate supervisor may reassign, reduce pay, and/or hours, or furlough employees, by issuing a 24-hour notification. All employees separated under these procedures with more than one year of service are entitled to severance pay.

Disciplinary Actions. Disciplinary actions may consist of oral admonishments, written reprimands, suspensions from duty without pay, or separations from duty for cause. Disciplinary actions may be taken in any order. Employees may grieve any formal disciplinary action. Employees separated for cause are not eligible for severance pay.

Grievance System. Grievances are resolved at the lowest practical organizational level and in the shortest time possible. Deciding officials may grant all, part, or none of the requested relief sought by the grievant. An employee may be accompanied, represented, or advised by a representative of his or her own choosing.

TRADOC. Two Army TRADOC sites, Ft. Gordon and Ft. Eustis, implemented a package of test initiatives that substantially modified the existing personnel management policies. The 10 major areas of change are described below.

Position Classification and Pay. Standard generic job descriptions were established for all former UA, AS, and PS positions. Jobs were assigned to one of eight pay bands corresponding to differing levels of skills and responsibilities. The pay band ranges correspond to pay rates for UA, AS, and PS, positions as indicated below. Former schedules were used for establishing pay ranges, not for transferring people in those grades to the new pay bands. The pay bands were designed with overlap in pay rates to provide managers with more flexibility in salary adjustment.

<u>Pay Band</u>	<u>Former Schedule Position</u>	<u>Pay Band Width (%)</u>
I - Staff	AS/PS 1-4	60
II - Staff	AS/PS 5-7	43
III - Operations	UA 5	63
IV - Operations	UA 5-9	97
V - Management	UA 9-12	89
VI - Management	UA 11-13	85
VII - Executive Management	UA 12-14	83
VIII - Executive Management	UA 15-18	32

Supervisors select the appropriate job description for the work to be performed and set the employee's salary within the pay band applicable for the level of responsibility. This is the only TRADOC initiative from which trades, crafts, and laboring jobs are excluded.

In addition to basic pay, "regular" employees (defined below) are eligible for life insurance, a retirement plan, paid vacations, paid holidays, sick pay, overtime pay, holiday premium pay, Sunday premium pay (with 40 hours per week only), night differential, court leave, military leave, workers' compensation, unemployment insurance, Social Security, and Medicare. "Associate" employees (see below) are eligible for overtime pay, night differential, workers' compensation, unemployment insurance, Social Security, and Medicare.

Employment Categories. There are two types of employment--regular and associate. Regular employment is used when the job duties are of a continuing nature and there is a set work schedule ranging from a minimum of 20 to a maximum of 40 hours per week. Associate employment conveys no set number of hours and is used when the need for an employee's services is temporary, limited, or sporadic in nature. Supervisors determine the type of appointment and the qualification requirements.

Staffing. New employees receive a general orientation from the personnel office and a detailed job-related orientation from the supervisor. Supervisors determine the type of appointment and qualification requirements, and select the appropriate place for recruitment.

Incentive Awards and Revenue Sharing. The system is designed to be performance-based, linking rewards directly to performance and motivating employees to achieve their productivity potential. Employees may receive increases within a pay band, cash bonuses, participate in the revenue sharing plan, or receive other incentives, such as a day off with pay or discounts on purchases or meals. The revenue sharing plan allows for an annual payout if NAF activities have generated a prespecified margin of profit.

Business Management Career and Intern Program. This initiative provides for the development of management employees from entry/trainee level to higher level managerial positions. There are three career paths--General Management; Food and Beverage; and Recreation, Entertainment, and Leisure Activity. These career paths provide for vertical progression within each path and for horizontal movement to the other career paths, depending on individual goals and abilities and the needs of the organization.

Training and Development. Training is conducted for all employees to instill organizational loyalty, a sense of teamwork, and a commitment to quality customer service. Job-related training is also provided to employees at all levels with an emphasis on developmental career opportunities designed to enhance performance, leadership skills, and potential for greater managerial responsibility.

Performance Evaluation. The performance appraisal process and the attendant paperwork have been simplified, and the system is designed so that pay is linked directly to the supervisor's assessment of employee performance. The supervisor communicates clear performance expectations to the employee, obtains the employee's commitment to meeting those expectations, and provides feedback to the employee on an ongoing basis through an annual performance evaluation. The simplified appraisal includes generic performance standards and three rating levels--"Outstanding," "Satisfactory," and "Unsatisfactory"--instead of five.

Business-oriented Personnel Actions. The business-oriented personnel actions provide simplified procedures for effecting reassignments, demotions, layoffs, or separations that may be required as a result of management actions to increase efficiency or reduce overhead costs. Actions are "without prejudice" to affected employees because they result from management decisions, not from anything the employees did.

Disciplinary Actions. A system of positive discipline has been designed for the test. The positive discipline system is based on the concept that an employee is responsible for managing his/her own behavior and performance. Organizational and job expectations are clearly communicated to employees, and disciplinary problems are dealt with through a progressive series of nonpunitive actions.

Grievance System/Employee Relations. Emphasis is on effective communications and the informal resolution of problems. Bargaining unit employees are still covered by the negotiated grievance procedures, whereas simplified grievance procedures have been implemented for nonbargaining unit employees.

Navy

The five Navy NAF sites implemented a package of EXPO initiatives affecting six major areas. The package of changes is described below.

Position Classification and Pay. Under Project EXPO, all employees except those covered under the Federal Wage System have had their positions converted to a pay band system. There are six pay bands in the system.

<u>Pay Band</u>	<u>Former Schedule Pay Band</u>	<u>Pay Band Width (%)</u>
NE1	AS/PS 1-4	46
NE2	AS/PS 5-6	28
NE3	AS/PS 7; UA 5-8	10
NE4	UA 9-11	57
NE5	UA 12-13	55
NE6	UA 14-15	53

Supervisors determine the rate of pay within the band for incumbents or selectees, and management may increase an employee's salary within the pay band at any time. No within-grade step increases or quality step increases are provided in the system. Supervisors may reward employees for good performance through a single-payment bonus or an increase of base pay or both. Each site has two options from which to select in determining policy for overtime, Sunday pay, night differential, holiday premium pay, and holiday pay (see Table 1).

Staffing. Under Project EXPO, management is responsible for the total employment process. Management is accountable for the following aspects of staffing:

1. Deciding which staffing method will be used to fill any particular vacancy (e.g., merit promotion, transfer, outside hire, detail, etc.).
2. Requesting recruitment assistance from Naval Military Personnel Command.
3. Ensuring eligible military spouses receive priority consideration as outlined in NMPCINST 5300.1, when filling positions in pay bands NE1, NE2, and NE3.
4. Determining area of consideration.
5. Determining announcement opening/closing dates.
6. Determining type of appointments.
7. Conducting reference checks.
8. Announcing vacancies to be filled through competitive means.
9. Determining job qualification requirements.
10. Rating/ranking applications.
11. Determining best qualified applicants.
12. Conducting interviews.
13. Assuring all pre-employment conditions are met such as security, citizenship requirements, job physicals, food handlers' certification, etc.
14. Assuring Navy Equal Employment Opportunity (EEO) requirements are followed throughout the staffing process.
15. Making selections.
16. Setting appointees' rate of pay.
17. Providing for basic orientation of new hires (which must include impact of EXPO project on employee).

Table 1
Benefits Options for Navy NAF Sites

Category	Option 1	Option 2
Overtime	All nonexempt EXPO employees are eligible for overtime work in excess of 40 hours per week. Holiday and leave hours are not treated as hours of work in determining eligibility for overtime pay. All other rules would remain the same as the current system.	Employees are entitled to overtime pay for work performed in excess of 8 hours in a day or in excess of 40 hours in an administrative work week, whichever is the greatest number of hours.
Sunday Pay	No differential for Sunday work.	Employees are paid a differential for Sunday or holiday work.
Night Differential	No night differentials.	Employees are entitled to receive pay at scheduled rate plus 7 1/2 percent for regularly scheduled non-overtime work when a majority of hours occur between 3 P.M. and midnight; or 10 percent if majority of work hours occur between 11 P. M. and 8 A. M.
Holiday Premium Pay	Only regular full- and part-time employees receive double time for all hours worked on the holiday. Payment is limited to maximum of eight (8) hours per holiday.	Employees receive double time for all hours worked on the holiday. Payment is limited to maximum of eight (8) hours per holiday.
Holiday Pay	Regular full- and part-time employees receive holidays off with pay whether or not the holiday falls within their scheduled work week. If the holiday falls on an employee's normal day off, then he/she is entitled to an alternative day off with pay during the pay week in which the holiday falls.	Employees receive holidays off with pay at the same rate for that day, including any applicable night differential, as if they had worked.

Note. NAF = Nonappropriated Fund.

Performance Evaluation. All regular and temporary full-time and part-time NAF employees have their performance evaluated at least annually. Employees are provided with written standards of performance and are rated as achieving one of 4 levels: "Outstanding," "Highly Satisfactory," "Satisfactory," or "Less Than Satisfactory." A special EXPO Performance Rating form is used for the rating, and a rating can be completed for an employee at any time. When appropriate, employees other than NA (nonsupervisory), NL (leaders), and NS (supervisory) employees may be recommended for a pay adjustment or performance award. In cases of "Less Than Satisfactory" performance, if the employee continues to fail to meet minimum standards of performance after receiving the appropriate notice, he/she may be reassigned, downgraded to a lower pay band, suffer a reduction in pay, or be terminated.

Business-oriented Personnel Actions. When nondisciplinary, involuntary, adverse personnel actions are required to conduct business efficiently and effectively, managers may take the following business-related actions: reduction in pay, reduction in hours of work, change of employment categories, furlough, separation, and change to lower grade. Intermittent employees and re-employed annuitants are not subject to this initiative. Business-oriented personnel actions are taken on the basis of the appropriateness of the position under the prevailing business conditions and current performance ratings of the affected employees.

Grievance System. The EXPO grievance system provides a two-step grievance process for all NAF employees except for those in Crafts and Trades. Some specific circumstances are excluded, including CT employees' right to appeal job classification decisions. Under the EXPO system, employees are to provide a written grievance to the MWR Director within 15 calendar days of the grieved incident and should receive a response from the MWR Director with 15 days of receipt. If the grievance is not resolved at that level, the employee may then take the grievance to the activity's Commanding Officer.

Disciplinary Actions. Actions taken against employees for disciplinary purposes may include oral admonishments, written reprimands, suspensions from duty without pay, and separation from duty for cause. Disciplinary actions may be taken in any order. Employees may grieve any reprimand, suspension, or separation.

Evaluation Methods and Procedures

The major objective of the evaluation plan was to determine, by means of a disciplined, objective approach, the worth of the proposed initiatives in terms of their impact on productivity, effectiveness, and cost. To obtain a reliable and valid assessment of these outcomes, the evaluation plan also measured the progress of the implementation. A systematic assessment of implementation activities served to: (1) inform the organizations as to how and to what extent the implementation was operating as intended; (2) provide information as to how well the changes were fitting in with the day-to-day operation of NAF activities; and (3) help identify whether the change and the manner in which it was implemented was leading to the success or failure of the initiatives.

The EXPO project for NAF activities covered a 2-year implementation and test period. The general research paradigm that was employed required that indicators of effectiveness be assessed periodically during the course of the test period.

The DPRDC evaluation team, in cooperation with internal evaluators at each site, performed a wide range of activities. Evaluators measured the effects of implementation on individuals and groups, on efficiency in terms of cost, quality, and timeliness of service, and on effectiveness and adequacy of meeting customer needs. Some of these measures permitted not only an assessment of the individual sites but of Project EXPO in general.

Evaluation Model

The basic evaluation model used for EXPO is depicted in Figure 2. The model highlights the elements of the evaluation critical for testing proposed changes. As can be seen in Figure 2, the degree of success was studied with respect to a number of dimensions: characteristics of the local setting (context), implementing activities, intended intermediate and ultimate outcomes, and unintended outcomes.

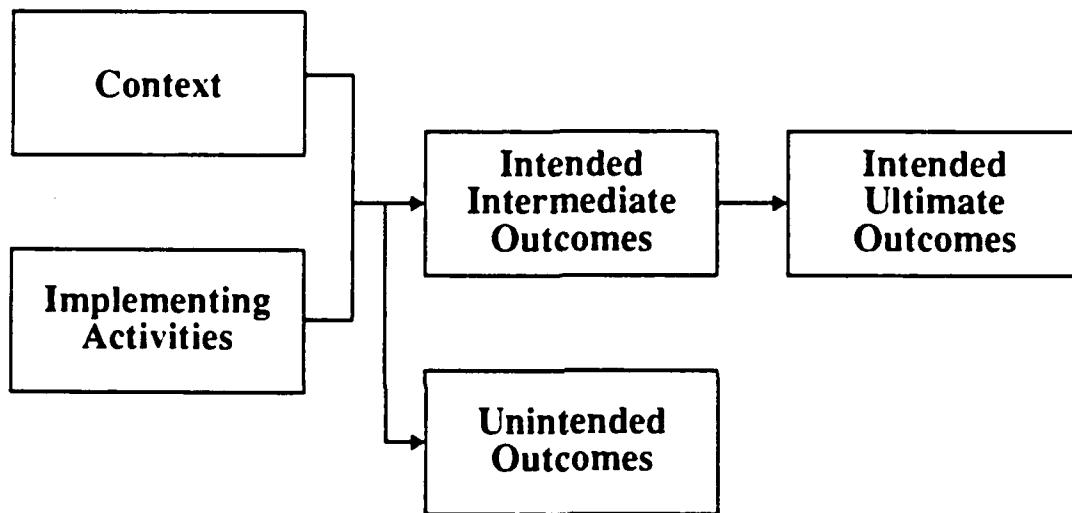


Figure 2. Model for evaluating the implementation and outcomes for Project EXPO.

Context

Because the changes put into motion occur in an uncontrolled environment, knowledge of the setting, participants, features of the program, and procedures was critical for an adequate interpretation of evaluation findings. Information dealing with areas such as the composition of the work force, organizational readiness for change, and perceived value of the proposed changes was obtained by means of questionnaires and short interviews.

Implementing Activities

Intermediate and ultimate outcomes are theoretically dependent on how well the implementation activities are carried out (Cohen, Hall, & Cohodes, 1985; Roberts-Gray, 1985). These activities can be grouped into two major categories: support of implementation and degree of implementation. Support of implementation involves information about the adequacy of training provided and of the data inventory framework--which includes construction of performance

measures, identification of data requirements, and assembling of data and reporting systems--that was developed and employed at each test site.

Degree of implementation can be defined as the extent to which the proposed changes are given a fair trial, the degree to which they are used (Hall & Loucks, 1977), and the extent to which they conform to the concepts behind the changes (Fullan & Pomfret, 1977). This information was collected by means of questionnaires and interviews.

Outcomes

According to the evaluation model, characteristics of the context and implementing activities directly affect intermediate outcomes. Intermediate outcomes refer to changes in organizational activities that contribute to achieving the ultimate goals of the proposed change. For example, the changes that were designed to facilitate hiring would be expected to result in faster processing time.

Ultimate outcomes refer to the impact of the program on the overall performance of the NAF activity. Outcomes such as the amount of revenue generated, the labor costs incurred, and net profit would be expected to be influenced by the program.

The "unintended outcomes" block in Figure 2 points to possible unintended consequences of Project EXPO. These may occur at any point in the life of the test period. For example, the changes proposed may extract a cost or may create new difficulties, such as requirements for training that detract from carrying out day-to-day duties. The documentation of such information was considered important because it can explain why certain program changes could not be successfully implemented or why their impact was at best equivocal (cf. Palumbo, Maynard-Moody, & Wright, 1984).

In summary, this model was designed to identify the data required at each phase of Project EXPO to carry out an overall evaluation. At the formative phase of the test, baseline measures were obtained, as well as an assessment of the status and progress of the implementation. At the intermediate phase, data that indicated the effect the initiatives had on the performance indicators were gathered. At the summative phase, data that represented ultimate outcomes were obtained, analyzed, and reported. Collectively, these data sources determined the degree to which Project EXPO proved effective in meeting its stated goals and objectives.

Measurement Instruments and Procedures

Data were collected from several sources: attitudinal surveys; standardized on-site interviews of personnelists, managers, and supervisors; existing data bases; budgetary data; and other documents provided by the test sites. Some areas were assessed by existing instruments. Other areas were assessed by a questionnaire/interview format designed specifically to address the EXPO changes.

Implementation Interviews

The implementation interview consisted of a set of questions dealing with the specific initiatives that were being implemented and used. Some of the major areas tapped were: rationale for the initiatives, the progress of the implementation effort, the operational status of the initiatives

implemented, and the existence of impediments to the implementation and operation of the initiatives. Separate interviews for the different services were developed for managers, supervisors, and personnelists (see Appendix A for examples).

Interviews were conducted at 15 of the 17 EXPO sites during 1989 and 1990. Interviews were not conducted at USAREUR Stuttgart and NS Alameda due to scheduling difficulties. Two researchers from DPRDC conducted the interviews at 7 of the sites. Representatives from Air Force Headquarters conducted interviews at 4 of the Air Force sites. Individuals considered key personnel involved in the implementation, evaluation and/or use of the initiative were selected to be interviewed. Among those interviewed were the MWR and Services Chiefs, managers, supervisors of Billeting and various MWR activities, and personnelists. MWR Chiefs were interviewed individually. Managers, supervisors, and personnelists were interviewed in groups ranging from 5 to 20. Interviews required 1-1/2 to 2 hours to complete.

Project EXPO Organizational Assessment Survey

This survey consisted of two major sections (see Appendix B for different versions of the surveys). The first section measured organizational climate (defined in Appendix C), the second section measured reactions to the specific initiatives tested at the sites. Organizational climate measured employees' perceptions of those properties within the work environment assumed to be a major factor in influencing job-related behavior and organizational functioning. The dimensions designed to measure organizational climate were adopted from various questionnaires. Six of the dimensions were obtained from Gordon and Cummins (1979), and the others were obtained from the Communication Assessment Survey (1985); Mowday, Steers, and Porter (1979); Siegel and Kaemmerer (1978); and Young, Riedel, and Sheposh (1979). There were 11 dimensions in all. Some examples of the dimensions examined include: (1) the Organizational Vitality scale, which measures the extent to which people see the organization as dynamic and responsive to change, and, (2) the Human Resources Development scale, which measures the extent to which employees perceive opportunities within the organization that will allow them to develop their potential (Gordon & Cummins, 1979).

The second half of the survey assessed the EXPO initiatives. As an example, supervisory personnel at the Air Force sites were asked to assess the awards system initiative in terms of its impact on productivity and morale. The rating scale employed for these items was a 5-point scale ranging from 1 ("Not at All") to 5 ("To a Very Great Extent"). Questions included in versions tailored to specific sites were determined by the initiatives introduced at those sites, the time period at which the initiatives were introduced, and the level of knowledge respondents were expected to have at that time concerning the initiatives.

Table 2 presents the schedule of survey administration. The general procedure for the administration of the survey was the same for all EXPO sites. Surveys were distributed to all personnelists, managers, supervisors, and nonsupervisory employees. Respondents returned completed questionnaires through interoffice mail to the MWR office at each site. Unopened questionnaires were sent to DPRDC for analysis. Due to the extremely high turnover of NAF employees, respondents were not tracked from year 1 to year 2.

Table 2
Schedule of Questionnaire Administration at NAF Sites

Component	Administration Time	
	Year 1	Year 2
Army USAREUR	Fall 1988	Spring 1989
Army TRADOC	Summer 1989	Summer 1990
Air Force NAF	Spring 1988 ^a	Spring 1989
Navy NAF	Summer 1989	Fall 1990

Notes. 1. NAF = Nonappropriated Fund.

2. USAREUR = U.S. Army, Europe.

3. TRADOC = Training and Doctrine Command.

^aNot administered at Andrews AFB, Chanute AFB, Hickam AFB, and Warren AFB.

EXPO Implementation Progress Report

The Implementation Progress Report consisted of four sections: (1) an Update of Milestones section, in which information is provided about the progress of the implementation; (2) a Summary of Results section, in which data relevant to the outcomes (e.g., accuracy of classifications) are provided; (3) an Interpretation of Results section containing an elaboration or explanation of results (e.g., possible economic factors that might affect time to fill a vacancy); and (4) an Other Information/Problems section, in which issues having a bearing on the progress or continuation of an initiative (also called "intervention") are discussed (see Appendix D).

The sites submitted progress reports every quarter. The information from these reports served as one of the main vehicles for summarizing outcomes of the EXPO initiatives.

Outcome Measures

Table 3 summarizes the expected outcomes, measures, and data sources for each initiative. This information is segregated by site.

Design and Analysis

The evaluation design consisted of qualitative methods (e.g., interviews, site reports) and quantitative methods (e.g., outcome measures, surveys). The different methods were used to strengthen the validity of the test through congruence and/or complementarity of the results.

A quasi-experimental design served as the framework for analysis of the outcome measures. A quasi-experimental design provides a systematic, controlled assessment of effects for situations in which treatment sites are not randomly selected. The design, thus, corrects for potential problems caused by the lack of random assignment. For most initiatives, an interrupted time series was employed, in which the treatment was "interrupted" by a series of measures at routine intervals in time. In cases where a comparison group was also tested (e.g., Frankfurt military community), the design was an interrupted time series with comparison. The relevant qualitative data from the interviews and quarterly reports were incorporated with the quantitative data to lend further insight and meaning to the results.

Table 3
Expected Outcomes, Measures, and Data Sources of Project EXPO NAF Initiatives

Initiative	Expected Outcomes	Measures	Data Source
Position Classification and Pay (Pay Banding)	Stable payroll costs	Payroll costs	EXPO reporting system
	Improved retention	Supervisors' perceptions	EXPO survey
		Turnover ^a	EXPO reporting system
Employment Categories ^b	Increased flexibility in employee/work assignments	Supervisors' perceptions	EXPO survey
Staffing	More effective/faster recruitment of quality work force	Fill time ^b	EXPO reporting system
		Supervisors' perceptions	EXPO survey
		Employees' perceptions	EXPO survey
		Ratio of permanent to temporary employees ^b	EXPO reporting system
Performance Evaluation	More effective appraisal system	Appraisal timeliness ^c	EXPO survey
		Rating distribution ^c	EXPO reporting system
		Employees' and supervisors' perceptions	EXPO survey
Incentive Awards	Improved employee morale/motivation	Employees' perceptions	EXPO survey
	Increased supervisors' flexibility to give awards	Supervisors' perceptions	EXPO survey
	Perceived fairness	Employees' perceptions	EXPO survey

Notes. 1. EXPO = Experimental Civilian Personnel Office Project.

2. NAF = Nonappropriated Fund.

^aNot at USAREUR sites.

^bNot at Navy NAF sites.

^cNot at Air Force sites.

Table 3. (Continued)

Initiative	Expected Outcomes	Measures	Data Source
Incentive Awards (Continued)	Increased distribution of awards	Number of cash bonuses	EXPO reporting system
		Number of pay adjustments	EXPO reporting system
Revenue ^d Sharing	Increased employee productivity	Number of revenue share recipients	EXPO reporting system
	Increased employee morale/motivation	Employees' and supervisors' perceptions	EXPO survey
Business-oriented Personnel Actions	Improved procedures to reduce personnel	Supervisors' perceptions of effectiveness of new procedures	EXPO survey
Disciplinary Actions	More effective system for maintaining discipline	Number of disciplinary actions	EXPO reporting system
		Number of grievances	EXPO reporting system
		Supervisors' perceptions of effectiveness of system	EXPO survey
		Employees' perceptions of fairness	EXPO survey
Grievance System	More effective grievance system	Supervisors' perceptions of effectiveness of procedures	EXPO survey
		Employees' perceptions of fairness of system	EXPO survey

^dArmy TRADOC sites only.

IMPLEMENTATION

The activities involved in implementing Project EXPO at the participating sites were documented to assess the extent to which the initiatives were implemented as planned. Information used in the assessment was obtained from on-site interviews, attitude questionnaires completed by employees, quarterly progress reports, and telephone and written communication with representatives at the sites.

Air Force

Of the eight Air Force sites that participated in Project EXPO, four were evaluated by Air Force Headquarters and four by Air Force Headquarters and NPRDC. Table 4 lists the evaluator for each of the eight Air Force sites. Table 4 also indicates the organizational location of NAF personnel servicing, which the Air Force included as a variable in its test.

Table 4
Location of HRO and Project EXPO Evaluator for Eight Air Force Sites

Site	Evaluator(s)	HRO Location
Andrews	Air Force	CCPO
Chanute	Air Force	CCPO
Davis-Monthan	Air Force/NPRDC	MWR
Hickam	Air Force	MWR
Minot	Air Force/NPRDC	MWR
Patrick	Air Force/NPRDC	MWR
Sembach	Air Force/NPRDC	MWR
Warren	Air Force	CCPO

- Notes.
1. HRO = Human Resources Office.
 2. EXPO = Experimental Civilian Personnel Office Project.
 3. CCPO = Central Civilian Personnel Office.
 4. NPRDC = Navy Personnel Research and Development Center.
 5. MWR = Morale, Welfare, and Recreation.

Air Force NAF personnel services were located in the MWR Division until the early 1970s, when, out of concern for consistent and fair personnel practices, they were moved to the Central Civilian Personnel Office (CCPO). Until the implementation of Project EXPO, NAF personnel services were performed within the CCPO, typically by a small number of personnel specialists who primarily serviced APF employees.

NAF employees often felt that their human resource needs were given lower priority than those of APF employees. As part of the EXPO test, therefore, the Air Force moved NAF personnel services at some activities back to the MWR Division. The name Human Resources Office (HRO) at some activities was selected to designate NAF personnel services. Under the EXPO test, three HROs remained with the CCPO and five were moved to the MWR Division, as shown in Table 4.

The same questionnaires were used at all sites. NPRDC-evaluated sites completed questionnaires both years; the four sites evaluated only by Air Force completed questionnaires the second year. The Air Force and NPRDC evaluators conducted on-site visits and interviews with different emphases. NPRDC evaluators focused on the status of initiatives implemented, on organizational issues relevant to the change, and on how the changes were implemented. Air Force evaluators focused their attention exclusively on status of changes. Because this section concerns implementation issues, only the results from the NPRDC interviews will be presented here. Findings from the Air Force interviews are summarized in the Results and Discussion section.

Project Implementation

The package of Air Force NAF changes was approved for implementation in January 1988. The participating sites began negotiations with union representatives to enact the changes at their sites. The exception was Sembach Air Base, which has no union. At the time, Fairchild Air Force Base in Washington was a participant. Fairchild was not able to obtain union agreement for the test, and Minot AFB replaced it as a participant. Due to the negotiations required to enact the changes, the eight Air Force sites began their EXPO tests at different points in time. Table 5 presents the test start dates for each site.

Table 5
Implementation Dates for Project EXPO at Air Force Sites

Site	Start Date
Andrews	1 Jan 89
Chanute	1 Jul 88
Davis-Monthan	15 Aug 88
Hickam	1 Jul 88
Minot	1 Dec 88
Patrick	1 Aug 88
Sembach	1 Jun 88
Warren	1 Dec 88

Note. EXPO = Experimental Civilian Personnel Office Project.

As previously stated, NPRDC conducted implementation interviews at four sites to determine the extent to which the initiatives had been implemented and to document any organizational issues relevant to the change. The results of those assessments are summarized below.

Davis-Monthan Air Force Base. To assess the implementation of Project EXPO at Davis-Monthan Air Force Base, NPRDC personnel conducted interviews in April 1989, 8 months after the project began. The MWR Chief, personnelists from the HRO, and representative groups of activity managers and supervisors participated in the interviews.

Implementation Issues. Participants at Davis-Monthan attempted to obtain endorsement of the EXPO changes from the union, the National Federation of Federal Employees (NFFE), but were unsuccessful. This caused a delay in the implementation of the changes there and resulted in the changes being applied initially to only those employees who were not covered by the bargaining contract (nonregular and supervisory employees). Because CT employees were not covered by the EXPO initiatives that related to pay and compensation, there were three groups of employees at Davis-Monthan affected by three different sets of personnel policies. Much later in the project, in June 1989, employees represented by NFFE were brought under the EXPO initiatives, but CT employees remain excluded from compensation initiatives.

Level of Use. At interview, all employees were working under the EXPO initiatives. Managers, supervisors, and union representatives had received written materials and a briefing from the MWR Chief and the HRO regarding the changes, and they were aware of the changes, enthusiastic about their use, and carrying them out as designed. At the time of the interviews, however, a high proportion of employees represented by the union (the Auto Hobby Shop and the Child Development Center) had not been appreciably affected by the EXPO changes because of their late entry into the project.

The main limitation to the use of the EXPO initiatives was the fact that many employees were not eligible to be covered by all of them. The CT employees could not be covered by the pay initiatives, although on interview they expressed a strong desire to be included in them.

Initial Acceptance of the Changes. The various groups interviewed were asked their impressions of the changes. Managers, supervisors, and personnelists provided comments.

Without reservation, managers liked the changes. They reported that benefits of EXPO were evident almost immediately. The managers were particularly positive about the hiring provisions. The ability to hire someone directly had reduced time-to-fill dramatically, in some instances enabling managers to hire a person in one day. Managers preferred the new position guides. They are shorter, and managers felt they were more descriptive of the jobs. Managers also like the flexibility afforded by EXPO in terms of assignment of hours, setting of wage levels within pay bands, and distribution of cash awards. Managers did not feel that the status of employees was more vulnerable under EXPO. Overall, they felt that EXPO had achieved better "bottom-line" results more efficiently, that employee costs were lower, and that activities were operating more like a business in the community.

Two relatively minor problems surfaced. Initially employees were afraid that they could be more easily fired under EXPO. Meetings with personnelists ameliorated these concerns. The other difficulty involved the necessity for maintaining several bookkeeping systems--one for employees under EXPO, one for those in the NFFE bargaining unit, and one for CT employees. These multiple systems were in place at the time of the interviews. Managers were unanimous in their desire to have everyone under the EXPO system.

The reactions of supervisors to EXPO were very much like those of the managers. According to supervisors, EXPO provided flexibility, saved money, and required less paperwork. They felt that the ability to keep people on the books to use as extras without guaranteeing a minimum number of hours was advantageous. The awards program was seen as an excellent vehicle for

rewarding good workers. Although EXPO gives managers and supervisors greater latitude with respect to personnel matters, supervisors reported that employees were treated no less fairly under EXPO, and it had not become easier to fire people. As did the managers, supervisors wanted all employees to be under the EXPO system.

According to the personnelists assigned to NAF activities, the implementation of EXPO in the short run created more work for them (e.g., modifying position descriptions). In the long run, they felt the EXPO changes would ease the workload. They saw the EXPO changes as workable, particularly with respect to hiring procedures. They saw EXPO as a viable system that should work anywhere. On the negative side, they reported that the dual track system made it difficult to keep track of days worked by variable schedule employees. The computer system had to be modified to accommodate the new information required for EXPO. Moreover, the personnelists were required to develop the system modifications without guidance from Headquarters.

Personnelists voiced two other concerns. They felt that a greater effort should be made to recognize performance with awards. They also felt personnel practices should be continuously evaluated because of the potential for unfair or arbitrary treatment, resulting from the increased autonomy given to managers.

Implementation Summary. Overall, the EXPO initiatives were well implemented at Davis-Monthan. Managers, supervisors, and personnelists strongly supported the changes and the concept of allowing their organizations to operate in a manner similar to that of private businesses. The economic conditions at Tucson were such that NAF activities could compete with the local economy for employees, and they felt the EXPO initiatives enhanced their ability to do so. They wanted to make some improvements in their use of the initiatives (e.g., give more on-the-spot cash awards) and, most importantly, to include more employees in Project EXPO.

Minot Air Force Base. DPRDC researchers conducted interviews at Minot Air Force Base in July 1989, 7 months after Project EXPO began. They talked with key personnel involved in the implementation of the EXPO changes--the Acting MWR Chief, personnelists from the HRO, a representative group of NAF managers, and a representative group of NAF activity supervisors.

Implementation Issues. When Project EXPO was introduced at Minot, a reduction in force (RIF) was under way. Employees associated the RIF with the EXPO project, and they expressed distrust and dissatisfaction with EXPO. Also, because of cutbacks in APF support for NAF activities, constraints were placed on the way in which the EXPO initiatives were enacted at Minot. For example, to conserve funds, all new employees had their wage rates fixed at the lowest levels of the pay bands. Due to the initial negative reactions on the part of both nonsupervisory and supervisory employees to EXPO, modifications were made to the test and are described in Minot's *Project EXPO Revised Policy Guidelines*, published 11 June 1989. These modifications included increasing wage rates and reinstituting holiday pay.

Level of Use. Minot entered the EXPO test later than the other Air Force sites but took a positive and enthusiastic approach to testing the initiatives. Air Force Headquarters briefed managers at Minot about Project EXPO, and the HRO briefed managers and supervisors, providing them with written materials about the initiatives. At the time of the interviews, the initiatives were being carried out as planned. All NAF employees were affected by the EXPO changes (e.g., pay

banding, position guides, on-the-spot cash awards), with the exception of CT employees who could not participate in pay-related initiatives.

Initial Acceptance of the Changes. Managers, supervisors, and personnelists assessed the EXPO changes during the July 1989 interviews. Their responses are summarized by group.

Managers reported that initially EXPO had both positive and negative effects. At the outset, the EXPO policies gave management greater flexibility and control over hiring, setting wage rates, and scheduling. Employees, however, were hurt in several ways. Seasonal employees' hourly wages were less (in some instances 50% less per hour) than they received before EXPO. Employees were terminated and replacements were paid at the bottom of the pay band. Night differential, holiday pay, and Sunday premium were taken away. According to the managers, employees were upset. Revisions of these earlier policies were then introduced (e.g., readjustment of wage rates) to redress some of the problems. Managers felt that the situation had improved and employees were receptive to EXPO.

Managers were most enthusiastic about EXPO's impact on hiring and scheduling. They saw the establishment of wage rates and awards as more problematic. They felt, for example, that there were too many requirements for processing an award (e.g., written justification had to be submitted to the MWR Chief). They wanted the process to be more informal, flexible, and immediate. Similarly, they would like greater autonomy in setting wage rates for individual employees. Overall, managers were in favor of EXPO, committed to it, and wanted it to continue.

Comments of the first-line supervisors reinforced those of the managers. They also felt that at the start of EXPO employees were hurt. As one supervisor put it, "They went to extremes here--took everything away [from employees], but now they're giving it back." The supervisors concurred with the managers that the employees' situation had improved. As to the effect of EXPO on the way they conducted their business, supervisors felt that the hiring process had improved significantly. At the time of the interviews, new employees were hired and on the job within 2 to 3 days or less, compared with a 4- to 5-week waiting period prior to EXPO. Supervisors noted that employees would like the opportunity to work as many as 40 hours in a 3- to 4-day period. Lastly, supervisors, similar to managers, recommended that they have more control over setting wage rates and distributing cash rewards.

Personnelists were positive about EXPO. They felt it was an excellent approach to managing people and, contrary to their perception of 6 months earlier (January 1989), they regarded EXPO as operating smoothly. They saw all parties benefiting from EXPO. For managers, EXPO provided greater flexibility and control over personnel management functions. For employees, EXPO provided the opportunity to receive rewards and work more hours. For personnelists, rapport with the NAF activities had improved, they had more one-on-one contact with managers, they spent much less time explaining to employees why they were not hired, and they were able to take on additional responsibilities. EXPO had enriched the personnelists' jobs. Instead of reviewing forms and classifying jobs, they now advised and trained.

Implementation Summary. Despite difficulties encountered early in the implementation of Project EXPO at Minot Air Force Base, the consensus at the time of the interviews was that EXPO had had a beneficial effect on the overall NAF operation. NAF managers and the personnelists in

the HRO were aware of and sensitive to the problems that existed early in the implementation and instituted modifications in policies and practices to improve the effort. At the time of the interviews, through extensive efforts by the HRO and NAF management, initial negative attitudes toward EXPO were reversing and interviewees were becoming positive about the project.

Patrick Air Force Base. NPRDC researchers conducted interviews with key personnel at Patrick Air Force Base in May 1989, 9 months after Project EXPO began. They talked with the MWR Chief, HRO personnelists, and activity managers and supervisors.

Implementation Issues. Several factors specific to the implementation of Project EXPO at Patrick were identified during the interviews. First, the local economy and job market there influenced the use of pay banding. Because of the resort economy in the Cocoa Beach area, higher pay rates have been set to compete with local employers. The issue of how to deal with rewarding employees at the top of pay bands, thus, became an issue at Patrick AFB earlier than at sites at which the local economies were more depressed. Second, CT employees were not included in the EXPO changes concerning pay and position classification, which resulted in dual systems of personnel management at Patrick AFB, as at all Air Force sites. Interviewees at Patrick reported confusion on the part of managers and supervisors as to which system covered an employee. Supervisors, managers, and personnelists reported record-keeping difficulties and perceptions of unfairness on the part of some employees. Third, as part of the EXPO experiment at Patrick, the HRO was moved from the CCPO to MWR. Interviewees expressed overwhelming support for this organizational change. Personnelists liked the direct access to the MWR Chief, and managers and supervisors felt their needs were given more consideration with the HRO in the MWR organization.

Finally, the people and organizational climate at Patrick AFB were large factors in the successful implementation of EXPO. There was clear command support for the project and strong enthusiasm for the project and its successful adoption among those interviewed. The HRO staff was particularly energetic and innovative in its approach to EXPO, and was a trendsetter among Air Force sites in the measurement and evaluation of EXPO effects.

Level of Use. Overall, the EXPO changes were carried out as designed. Project EXPO received strong support from the command and was strongly endorsed by managers. First-line supervisors were also supportive of the EXPO changes, while expressing some concerns about the impact of the changes on them and their employees.

Managers were briefed about EXPO through the HRO and Air Force Headquarters and received written materials regarding the changes. Managers and HRO personnelists were heavily involved in adapting the changes to Patrick and in planning for their implementation. Weekly meetings were held for a number of months to develop the project. Managers were responsible for disseminating information and materials about EXPO to supervisors within their activities.

Initial Acceptance of the Changes. Managers, supervisors, and personnelists assessed the EXPO changes during the May 1989 interviews. Their responses are summarized below by group.

The managers were positive about the EXPO initiatives and felt a sense of involvement in their development. They benefited from the changes after only a short time. The opportunity to adjust position guides was seen as a big improvement, as were the changes in hiring and termination provisions. Managers also liked the flexibility they had with employment categories under EXPO. Managers had largely adjusted to initial difficulties of employing two different systems for CT and other employees. They want to have the EXPO provisions, such as pay banding, apply to CT employees also. Some indicated that this would help reduce the high turnover rate among CT employees. Managers were very positive about the services that they have received from the HRO, and, without reservation, felt it was best to have the HRO under MWR.

Managers also discussed some other difficulties experienced with EXPO. Initial restrictions on dissemination of information due to union negotiations led to rumors and unease as to the effect EXPO changes might have on employees. When the changes were enacted, the loss of Sunday premium and night differential pay was offset by managers adjusting employees' pay. Managers indicated difficulties in compensating good employees who were at the top of the pay band. Some had been able to write new position guides in the next higher pay band, others used cash awards. Managers wanted on-the-spot awards to be presented as designed, that is, directly following notable performance, rather than as an after-taxes addition to the paycheck. They also wanted the authority to set award amounts and entry-level pay without adjustments by the MWR Chief. Despite these concerns, managers were committed to the changes and wanted them extended to cover all employees.

Supervisors also noted the benefits of the EXPO changes. They liked the flexibility afforded by the new employment categories, felt the on-the-spot award program was good for morale, and that EXPO simplified hiring and removal. They were able to hire many employees virtually "on the spot" (e.g., to start work that night), instead of waiting the usual 2-3 weeks. In activities such as the clubs, this quick-hire procedure was particularly helpful in filling vacancies. Supervisors liked the fact that they did not need to give employees overtime if they worked beyond their 8-hour shift but worked less than 40 hours per week. They also appreciated the fact that they could now move employees between activities to meet workload demands. Some supervisors felt EXPO had decreased their workload.

Supervisors experienced some difficulties in carrying out EXPO. They were concerned about the more negative effects of the project on nonsupervisory employees. They said that nonsupervisory employees perceived the awarding of pay raises to be unfair. Nonsupervisory employees were also disturbed about not knowing when they would receive pay raises and by the loss of differentials with the implementation of EXPO. Differential treatment of CT employees with regard to pay was particularly troublesome.

Supervisors also asked for more training and written guidelines. They felt that much of the information they received was confusing and inconsistent. This appeared to be due, at least in part, to the fact that information and materials were not always transmitted from managers to their subordinate supervisors. They reported that the HRO staff was always helpful when contacted, and were positive about having the HRO under MWR. Finally, they said they wanted more control over setting base pay as well as distributing cash awards and determining their value.

The personnelists were satisfied with the results of EXPO initiatives. They reported that all of the changes were being implemented, that all changes were going well, and that they were in control of what needed to be done to successfully carry out the changes. Their workload had increased due to the measurement requirements of EXPO, but they recognized the importance of these measures and did not mind the extra work.

Personnelists said that managers originally thought they would be able to cut costs by bringing employees in at lower levels and giving few pay raises, but the reality of running a business in an area with high wages and the need to retain good employees modified their views. Despite personnelists' initial fears that EXPO would give managers too much flexibility, they saw no abuses of the system. They felt that managers appeared to understand classification better than before and were more involved in the process. They had received a few calls from employees who were concerned about the EXPO changes, mainly with respect to pay and schedule changes.

The lack of clear-cut guidelines was a problem for the personnelists in adapting the EXPO Project to Patrick AFB. They eventually developed strategies to deal with most of the difficulties. Standard programming for the personnel computer system had to be overridden to accommodate the EXPO changes. This involved hours of work on the part of the personnelist to include new information in the data base for EXPO employees (e.g., pay band, current pay rate) and to have appropriate information recallable for both EXPO and non-EXPO employees as needed.

The personnelists felt that responsibility for labor management relations and management employee relations for NAF employees was still vague and needed to be clarified.

Implementation Summary. Overall, the implementation of Project EXPO at Patrick AFB was carried out as planned and considered successful. Interviewees recommended that more information about EXPO be provided directly to supervisors rather than funneled through managers. They also suggested that perceptions of unfairness and inequities on the part of employees be monitored and addressed through dissemination of information about EXPO, such as the fact that it has not had detrimental effects on fair management practices and programs (e.g., EEO).

Interviewees wanted to see the EXPO initiatives expanded to include CT employees. They were also concerned with how to manage employees at the top of a pay band. They recognized that promotion through reclassification and cash awards were necessary actions to be taken by managers to retain and motivate good employees who do not receive automatic pay raises. This issue is expected to become more pressing for managers at Patrick AFB as well as at other sites as time passes.

Sembach Air Base. At Sembach Air Base, the MWR Division briefed managers about EXPO in April 1988. The EXPO changes were put into place 2 months later. Managers were responsible for briefing supervisors within their respective activities about the changes. All U.S. NAF employees at Sembach were affected by the EXPO changes; the initiatives regarding pay, however, did not apply to CT employees. NPRDC conducted interviews regarding the implementation of EXPO in October 1989, 16 months after Project EXPO began.

Implementation Issues. Several organizational and environmental factors affected the implementation of Project EXPO at Sembach. The strong local economy and presence of other military installations that compete for employees (in particular Ramstein Air Base, which is the largest of its kind in Europe), influenced pay band levels and retention of shift differential pay. The exclusion of CT employees from EXPO pay initiatives and the required dual system of record keeping have led to some confusion and added work. The placement of the HRO under MWR has worked very well. The close working relationship between the MWR Chief, personnelists, managers, and supervisors afforded by this arrangement has been instrumental in the success of EXPO.

Level of Use. The EXPO changes at Sembach are operating as designed. The command supports and endorses the initiatives. Managers and supervisors have been receptive and supportive of the changes and have adopted them in the management of their activities.

Initial Acceptance of the Changes. Managers reported that from their inception the EXPO changes yielded benefits. They felt that pay banding was working well. This initiative enabled managers to hire qualified employees at a higher wage rate than was possible under the old system. It was also seen as an effective way of connecting pay to performance through pay raises within the pay bands as well as promotions to higher bands. Cash awards, as distributed under EXPO, were seen as a way to show appreciation of employees' work. Overall, the changes increased employees' morale, facilitated the hiring process (i.e., greater flexibility, shorter times to fill vacancies) and reduced the amount of time spent on personnel matters. Managers are able now to make decisions regarding their operations based on business considerations.

The one major problem managers saw with EXPO was the exclusion of CT employees from the pay initiatives. First, they felt the exclusion could create morale problems. Second, because of the need to operate two pay systems (EXPO and the traditional system), there was the possibility of confusion among managers and supervisors about appropriate policies. Managers wanted all of the EXPO initiatives to apply to CT employees. They also wanted greater authority over setting award amounts and timing of award presentation. Overall, the managers were in favor of the EXPO changes and of retaining and expanding them.

Supervisors also concluded that the EXPO initiatives had beneficial effects. They reported that hiring under EXPO guidelines was easier and faster--when necessary they could virtually hire "on the spot." Supervisors reported that they were now able to hire experienced, skilled candidates at higher wage rates. EXPO was also seen as helpful to those workers who wanted immediate, short-term employment. The award system was judged by the supervisors as an asset. Under EXPO it was easier to monetarily reward employees for their performance. Also, more employees received awards than they did under the old system. In addition, supervisors reported that it was easier to carry out disciplinary actions under EXPO.

Supervisors reported some difficulties with the introduction of EXPO. As did the managers, they saw a need to extend EXPO to CT employees. They also felt that there may be some confusion in switching from the old system to the new, and that individuals should be given additional information. There was also some concern expressed over the general nature of the position guides. They felt, in some instances, that greater specificity was required to fix the pay band levels to the position. Supervisors also recognized that because they are more directly involved in hiring, discipline, and distribution of awards under EXPO, they must "take the heat" when their actions were called into question by employees.

At its inception, the EXPO package of changes was seen by the MWR Chief as providing the means to run NAF activities in a more efficient, flexible, and businesslike manner. To these ends EXPO has succeeded. The MWR Chief saw EXPO as instrumental in increasing efficiency and job satisfaction and improving and expanding service to customers. It was acknowledged that some managers were more adept than others at using pay setting and awards to improve the operation of their facilities.

The placement of the HRO under MWR management worked out well. Personnel is seen by the MWR Chief as an integral part of NAF operations and as an important contributor to the successful implementation of EXPO.

NAF management and the HRO personnelist felt that because of the greater latitude managers and supervisors have in running their operations under EXPO, the integrity of those operations and the ability of them to meet EEO and fairness requirements need to be monitored.

Implementation Summary. The implementation of the EXPO initiatives at Sembach was very successful, and recommendations for improvements on the part of those interviewed were minor. At the time of the interviews, one individual very involved in the change had just left (the NAF Financial Management Officer), and another was scheduled to leave (the MWR Chief). Interviewees recommended that efforts be made to institutionalize the philosophy and procedures that they had developed so that the test would continue to be successful.

Sites Evaluated by Air Force Headquarters. The assessment team from Air Force Headquarters conducted visits at the eight sites. At the time of the interviews, the four sites evaluated only by Air Force Headquarters--Andrews, Chanute, Hickam, and F. E. Warren--had enacted the package of EXPO changes. The Air Force Headquarters interviews were not the same as those conducted by the DPRDC researchers; they focused on the status of the EXPO changes rather than on implementation issues. The results of the Air Force interviews, therefore, will be summarized in the Results and Discussion section.

Army

USAREUR

The Atlanta Field Office (AFO), Civilian Personnel Evaluation Agency, performed the technical evaluation of the USAREUR test under Project EXPO. The AFO conducted a mid-point evaluation of USAREUR NAF EXPO during an on-site visit 15-25 August 1989, 17 months after Project EXPO began. The report from that visit was published in Spring 1990 (*Special Review of Civilian Personnel Management*). The AFO obtained information for the report from quarterly reports and the first-year assessment by HQUSAREUR; questionnaires completed by managers, supervisors, and employees; interviews with line and staff officials and employees, and financial and personnel records and reports. Appendix E contains portions of the report, including the management interview statistical summary. The first year assessment report for HQUSAREUR is presented in Appendix F.

Project Implementation. The ODASD (CPP) approved the proposal for a USAREUR NAF test of personnel practices under Project EXPO in January 1988. The USAREUR NAF EXPO test began 31 March 1988. Heidelberg and Stuttgart were experimental military communities, and Frankfurt served as a control military community.

Level of Use. Managers in Heidelberg took over the classification process from the CPO and started to use the pay banding flexibilities to facilitate hiring and performance recognition. They developed simplified position guides for almost all positions. Stuttgart managers did not use the system as extensively as those at Heidelberg, being less inclined to exercise classification authority and develop simplified position guides.

Managers at Heidelberg used their recruitment authority under EXPO, filling approximately 60 percent of their vacancies. Indications from both reports were that this may have been done at the expense of regulatory compliance. Stuttgart managers were less willing to perform recruitment because of reported concerns over the increased workload and meeting regulatory requirements. Both sites reported reduced time to fill vacancies, particularly when the hiring process was performed by managers.

Although managers approved of the EXPO system changes related to management-employees relations, only one-third had had direct experience with their use. Disciplinary actions decreased at both test sites during the test. Some interviewees felt this decline was due to the hiring of better employees, while others felt it was because employees perceived that they would have no recourse against an adverse action and so resigned. Managers at both test sites were using the EXPO initiatives for rewarding employees with both bonuses and performance-based pay increases.

Only a few business-based actions had been required by the time of the interviews. EEO complaints, although not all related to EXPO, increased during the first year of the test at Heidelberg.

Initial Acceptance of the Changes. Managers at both Heidelberg and Stuttgart were positive about EXPO initiatives (see Appendix E for responses). There was some question on the part of managers and employees, particularly at Heidelberg, that there were not enough safeguards built into the system directed at personnel management decisions and the possibility of favoritism. There was strong support for continuing the use of the EXPO initiatives and for incorporating certain improvements into them.

Implementation Summary. Although the EXPO initiatives had been implemented at the time of the August 1989 visit, the reports indicated that their use needed to be fine-tuned in a number of areas (e.g., emphasis on regulatory compliance at Heidelberg, increased use of the classification and pay initiatives at Stuttgart). Overall, users at the test sites were positive about Project EXPO and wanted to see it continue and improve.

TRADOC

Project Implementation. ODASD (CPP) approved the two Army TRADOC sites for participation in Project EXPO in February 1989. Test of their initiatives began 1 July 1989. Substantial work went into the planning and development of the test initiatives as well as the plan for evaluating the impact of the changes at Ft. Gordon and Ft. Eustis. The union was extensively involved in the planning of the test and evaluation, eliminating many potential problems during the test period.

NPRDC conducted interviews to assess the implementation of Project EXPO at Ft. Gordon and Ft. Eustis in April 1990, 9 months after the project began. At Ft. Eustis, they interviewed the Director for Personnel and Community Activities (DPCA), the Assistant Director for Community and Family Activities (ADCFA), activity supervisors and managers, NAF personnelists, and the National Association of Government Employees (NAGE) President. At Ft. Gordon, they interviewed the DPCA, ADCFA, division chiefs, and activity managers and supervisors.

Implementation Issues. Several factors affected the business operations of the NAF EXPO test at the TRADOC sites. First, APF support for NAF activities lessened during the test period, requiring that more be done with NAF funds. Second, the law regarding military child care passed Congress in Spring 1989, making operations more costly. The imposition of a new pay scale for these employees placed a strain on NAF budgets.

Interviewees at Ft. Gordon pointed out that they were fortunate to have adequate facilities, so they do not need to budget for new construction. Their existing facilities (e.g., the riding stables) were in good condition, but required substantial routine maintenance. At Ft. Gordon, the introduction of a new personnel management computer system required some adjustment, affecting the time it took to fill vacancies. At the time of the interviews Ft. Eustis had not yet begun to use the new computer system.

Level of Use. The EXPO initiatives were known as the TRADOC Personnel Management Enhancement Project. The group of changes was briefed by Army TRADOC Headquarters personnel to supervisors in a 2-day training session. Two other courses, "Investment in Excellence" and "Positive Discipline," were also conducted for supervisors and managers to prepare them for Project EXPO initiatives. Supervisory personnel also received copies of written regulations and guidelines regarding the test.

Employees received an orientation on the new system and were given an employee handbook. They were given feedback quarterly, in oral and written form, on the status of their activity budget and the revenue sharing plan.

Initial Acceptance of the Changes. Both sites reported benefits from the EXPO changes even though they had only been in place for a short time. Managers reported that hiring was easier, removal was easier, and time to fill vacancies had been reduced. The respondents were positive about pay banding, but noted that exclusion of key employees (i.e., Crafts and Trades) was causing hard feelings and lowering morale.

The awards program made it easier to give awards, and awards increased at both test sites. Noncash awards were also emphasized at both sites (e.g., tickets to events, entertainment booklets).

Supervisors and managers perceived slight improvements in the annual performance appraisal process because of simplified paperwork and emphasis on clear performance expectations, performance feedback to employees, and link of pay with performance. The use of positive discipline was well received. Managers felt it gave them a wider range of alternatives for discipline, that it was more humane, and that it gave employees more responsibility. The NAGE President at Ft. Eustis was positive about the new discipline system, saying it worked exceptionally well and improved management-employee relationships. Those interviewed were strongly in favor of the package of EXPO changes.

Implementation Summary. Overall the EXPO initiatives were effectively implemented. Managers and supervisors understood how the initiatives worked and reported benefits as a result of their use. The full impact of the initiatives (e.g., gain sharing) was expected after a longer period of time.

Navy

The five Navy NAF activities were the last sites to join Project EXPO. The ODASD (CPP) approved the Navy NAF proposal for a 2-year test of EXPO initiatives in April 1989.

Project Implementation

The five sites began their test within a few months following approval (Table 6). The varied project start times were in part due to scheduling of orientation for the sites provided by the Naval Military Personnel Command (NMPC).

Table 6
Implementation Dates for Project EXPO at Navy NAF Sites

Site	Start Date
Naval Air Station, Alameda, CA	3 Sep 89
Naval Station, San Diego, CA	23 Aug 89
Naval Training Station, San Diego, CA	6 Sep 89
Naval Submarine Base, New London, Groton, CT	25 Sep 89
Naval Station, Rota, Spain	25 Sep 89

Notes. 1. EXPO = Experimental Civilian Personnel Office Project.
2. NAF = Nonappropriated Fund.

The five Navy sites were given options for premium pay under the Navy NAF EXPO plan (see Table 1). The five sites chose to use these options differently to meet the conditions at their activities. At Rota, Spain, and New London, salaries of pre-EXPO employees were adjusted to a rate comparable to their previous pay rates, with Sunday premium and night differential included. Although those premiums were no longer paid, employees on board before EXPO did not take a pay cut. New employees at Rota and New London were paid under Option 1 and did not receive premium pay. At the Naval Station (NS), San Diego, all pre-EXPO employees retained Sunday premium and night differential, whereas new employees did not. At the Naval Training Station (NTS), San Diego, Option 1 was selected for overtime, Sunday pay, night differential, holiday pay, and holiday premium pay. Employees retained night differential until a pay adjustment in excess of the night differential rate was granted by their supervisor. New hires did not receive night differential. The policy of not paying holiday and holiday premium pay to intermittent employees was so poorly received by employees that, in January 1990, NTS changed its EXPO policies to ensure that intermittents would receive these special holiday rates. At the Naval Air Station (NAS), Alameda, a 90-day salary freeze was imposed at the start of EXPO, and all employees were converted to Option 1 with no premiums.

NPRDC conducted interviews at four of the five Navy sites to determine the extent to which the initiatives had been implemented and to document organizational issues relevant to the adoption of the changes. Those interviews are summarized below. Scheduling difficulties prevented the conduct of interviews at the fifth site.

Naval Station, San Diego, CA

NPRDC researchers conducted interviews with supervisory employees, managers, the Personnel Director, and the MWR Director regarding the Project EXPO implementation at Naval Station, San Diego. The interviews took place on 8 January 1991, 18 months after initial implementation.

Implementation Issues. Implementation of Project EXPO at NS San Diego began in September of 1989. Participants felt the initial presentation of the initiatives was well received. Some did indicate, however, that the time frame within which they were expected to implement the initiatives seemed short. The implementation began approximately 3 months after the supervisors were given the information about the project.

Supervisory personnel acknowledged their difficulty in implementing the initiatives. They reported that it was a challenge to reasonably and fairly implement Project EXPO on a day-to-day basis when there was such a large degree of flexibility in personnel management.

Like other Navy NAF sites, NS San Diego was unable to include CT employees in the pay initiatives. This caused initial confusion on the part of CT employees, who did not understand why they were excluded.

Level of Use. NMPC introduced the NAF EXPO changes to supervisory and nonsupervisory personnel at NS San Diego at a 2-hour orientation session in July 1989. In addition, a written training aid was distributed to all employees. Implementation of the changes began 23 August 1989.

At the time of the interviews, all the EXPO initiatives were being used. All employees were covered with the exception of CT employees, who could not participate in the pay initiative.

Initial Acceptance of the Changes. The interviewees were asked to assess the changes. The MWR Director, the NAF Personnel Director, managers, supervisors, and employees provided comments.

The MWR Director indicated that EXPO enabled them to attract and retain good people (e.g., lifeguards, fitness instructors). Further, they had been able to save money through consolidating positions and reassigning duties. Also, he said that under EXPO it was possible to get the attention of those who were not performing satisfactorily and to modify their behavior. He felt that MWR directors and other project leaders had an obligation to educate senior managers to the need to take time to evaluate individuals objectively due to the impact on the job and pay.

The Director did express the concern that, as a world-wide implementation effort, EXPO gave an extraordinary amount of control to MWR directors, who could destroy morale by not giving

raises or cause financial crisis by allocating too much to salaries. He questioned whether more control over the director's actions might be appropriate, because NMPC was not in the chain of command and the CO at each site would not be likely to intervene unless there were problems. He expressed appreciation for the flexibility EXPO provides and did not want his hands tied or EXPO to end, but was concerned about the Navy-wide effort, for the reasons stated above.

The NAF Personnel Director discussed her efforts over the previous year and a half to work with the EXPO initiatives. She cited some of the benefits of EXPO, including the use of business-based personnel actions instead of RIF actions. She noted too that the use of pay banding eliminated the problem of high turnover in the Child Development Center. She indicated that they had lost few employees to higher paying jobs due to the options package they had used at NS San Diego. The NAF Personnel Director also noted the difficulty of having CT employees excluded from the EXPO pay initiatives.

Managers and supervisors felt the changes were long overdue and that they gave employees some incentives to do better. They felt the changes were good business decisions that enabled them to reward deserving employees. They stated that although the new evaluation procedure was time-consuming and plagued with inconsistencies, the increased communication between managers, supervisors, and employees was welcomed. This resulted in employees knowing what performance levels were expected of them and being aware of their superiors' subjective evaluation of their performance. On the other hand, managers and supervisors expressed concern over employees with seniority showing resistance to performance-based pay.

Managers and supervisors did not perceive a difference in staffing procedures. They did express a concern that the job announcement's listing of pay ranges within bands led to unrealistic entry-level pay expectations by prospective employees because the top pay rates were rarely offered. There was also a concern about the differences in pay rates across Navy sites. They suggested a standardization of pay rates across and within facilities.

It was suggested that follow-up training sessions would improve the acceptance of the project by addressing the problems that arose during implementation. One suggestion was to offer small group follow-up training within 6 months of the initial training.

Managers and supervisors believed that Project EXPO enabled managers to consolidate multiple positions into, say, one enhanced position, resulting in saved time and money. It was felt that EXPO helped them obtain and retain quality employees. They stressed that CT employees needed to be incorporated into the program to alleviate the tension caused by the discrepancies of the two systems.

Despite these concerns, all were generally in favor of the NAF EXPO initiatives, with managers and supervisors agreeing that the new system was better than the old one.

The nonsupervisory employees interviewed indicated that the initial presentation about EXPO was excellent and that they had been excited about it. After being under EXPO for over one year, they felt it was a good program if carried out correctly and allowed to work.

Interviewees reported that many of the anticipated benefits of EXPO had not materialized. They felt there had been no decrease in turnover, that mediocre employees had not been "screened out" of the work force, and that some, but not all, good employees were recognized. They acknowledged that money was tighter than in the past and that more "atta-boys" were being given; they perceived that awards went to more people but were smaller in amount. They liked the fact that an employee could go to his/her supervisor and ask for a raise, but also felt the system would work better if there were no pay caps imposed at NS San Diego and the system were allowed to operate without additional constraints. Their suggestions regarding nonmonetary recognition of outstanding employees included (1) posting the recognition notice in employee work areas rather than in the main office area (where many employees rarely go) and (2) having employee-of-the-month awards for smaller groups of employees rather than just for the entire work force of 500.

Employees noted that some intermittents had lost some benefits and that pay had been reduced for others because of the loss of overtime. They also said that most part-time employees refused to work holidays because there was no differential pay. As a result, full-time, long-term employees were often forced to work holidays.

Implementation Summary. All in all, Project EXPO was openly accepted at this site. The major concerns were (1) the need for continuing training, (2) the need for consistent use of initiatives across and within installations, and (3) the need to incorporate all employees in the EXPO policies.

Naval Training Station, San Diego, CA

NPRDC researchers conducted interviews regarding the implementation of the Project EXPO initiatives at NTS San Diego in March 1990, 6 months after the project began. They talked with activity managers and supervisors and the NAF personnel management specialist.

Implementation Issues. NTS became an EXPO participant relatively late when the site was selected as a replacement for another site that could not participate in the test. This put the participants there in the position of developing their implementation package in a shorter time frame, and to some extent fostered the perception among the work force that the changes were being forced on the site without consideration of its specific needs and problems.

Level of Use. NMPC introduced the NAF EXPO changes to supervisory and nonsupervisory personnel at NTS at a 2-hour orientation session in July 1989. In addition, a written training aid was distributed to all employees. Implementation of the changes began 6 September 1989.

At the time of the interviews, all of the EXPO initiatives were being used by the organization, with the exception of business-based personnel actions, for which there had been no need. Differing policies for CT employees as well as the changes in coverage for holiday and holiday premium pay caused some confusion among the work force, requiring frequent re-explanations of EXPO policies by managers and supervisors.

Initial Acceptance of the Changes. The interviewees were asked to assess the changes. Managers, supervisors, and the NAF personnelist provided comments.

On the positive side, the managers said that the pay band system was helping them compete with outside establishments in attracting higher quality employees. They also liked the new evaluation system because the discussion with the employee regarding performance standards set clear expectations and established a permanent record that could be referred to in the event of inferior performance. There was also support for the new discipline system; the managers noted it had greatly reduced the time necessary to effect disciplinary action because in many cases they no longer had to go through NMPC. One manager stressed the increase in work force morale because problem employees could be removed quickly.

Managers reported that they have a difficult time explaining the system to their employees, especially the pay-to-performance link. They indicated that employees tended to prefer the automatic pay raises of the former system. They said that some employees were upset by the fact that their earnings had been lowered, although at orientation they had been promised no change in pay. This change was the result of the reduction in or elimination of premium pay.

When asked, managers made several recommendations for improving the effectiveness of the EXPO changes at their own site and at other sites. First, they strongly recommended including all employees under one personnel system, preferably the EXPO system. Second, they emphasized the need for clearer information to be distributed to the managers. They also advocated that an "information hotline" be established so that there would be a central source to handle questions and to ensure that answers would be consistent. Finally, managers suggested that if the idea behind EXPO was to create a more business-like system, it must be applied throughout all operations. As it stood, they could not deal directly with outside suppliers or have direct control over money in setting wages.

Supervisors also felt that better information about Project EXPO was needed. They noted that information at training was unclear, and were frustrated by the inability to obtain consistent answers to questions regarding policies and procedures. Supervisors disagreed with managers about the new discipline system. They did not feel disciplinary actions occurred faster, because actions still had to go through many people.

Supervisors indicated that they gave awards to CT employees to balance potential discrepancies that might occur between these employees and those under pay banding. They were concerned about being fair to both groups of employees. Supervisors also reported that some employees considered the new system to be unfair because, under pay banding, new employees' hourly rates could be greater than those of employees who had worked there longer.

Despite these concerns, supervisors were generally in favor of the NAF EXPO initiatives. They agreed with managers that, given a choice, they preferred the new system over the old one.

According to the NAF personnel management specialist, workers who were employed at NTS at the time EXPO was introduced retained night differential until a pay adjustment equal to or in excess of the night differential was granted by the supervisor. The initial policy of not paying intermittent employees holiday premium pay was so negatively received that it was rescinded in January 1990. Employees were reportedly happier after the change. The various adjustments in pay resulting from the EXPO initiatives created some confusion among the work force that required supervisors to explain the new policies on a fairly frequent basis.

Implementation Summary. At the time of the interviews, all of the EXPO initiatives had been implemented at NTS, and minor modifications to premium pay had already been made in response to employee concerns. Managers and supervisors at NTS were generally positive about the EXPO changes and felt that they would be beneficial to their organization over the long run. They felt EXPO could be improved if (1) all employees were under all the EXPO policies, (2) better information were provided, and (3) information and training concerning EXPO were accessible to employees when needed.

Naval Submarine Base, New London, Groton, CT

Naval Submarine Base (NSB), New London, was the fifth site that participated in the Navy test. Interviews regarding the implementation of Project EXPO were conducted in September 1990, almost one year after the start of the test. Interviewees included NAF activity managers, supervisors, nonsupervisory employees, and MWR personnel office staff.

Implementation Issues. MWR managers at NSB New London reported being eager to be part of the Project EXPO test when they heard about the program. Because of a local competitive labor market, in which they estimated off-base businesses paid approximately 28 percent more in salary to employees, they had extreme difficulty in attracting and retaining employees. They felt Project EXPO was perfect for their situation and would give them a streamlined personnel management system that would allow them to compete.

In selecting what differentials to pay employees, MWR management selected the most extreme plan, Option 1. They felt that because their turnover rate was so high, they could remove the differentials with little impact on employee morale. Instead of "grandfathering" current employees in with differentials, they raised pay rates to approximately the level they would have achieved, on the average, with differentials. New employees entered the system without the differentials.

Finally, MWR managers were concerned that CT employees would only experience the negative aspects of Project EXPO because they could not participate in the pay initiatives. To respond to this inequity, they created a program for CT employees called "EXPO Plus." Under EXPO Plus, CT employees could earn bonuses through the EXPO evaluation system while still retaining their eligibility for step increases through their own pay system.

Level of Use. NMPC personnel conducted a training session on Project EXPO for employees in August 1989. The project was implemented 22 October 1989. Prior to implementation, NAF managers and supervisors performed the massive effort of completing performance appraisals for each of 370 NAF employees. Orientation meetings were held for supervisors and employees, supervisory personnel were provided with manuals, and manuals were made available to nonsupervisory employees who wanted them.

At the time of the interviews, supervisory and nonsupervisory participants were knowledgeable about the Project EXPO initiatives. They had had experience with the full package of initiatives, including business-oriented personnel actions that had been used on two occasions during the test. Interviewees felt the changes that had the greatest impact on them were those involving pay, staffing, and performance appraisal.

Initial Acceptance of the Changes. Interviewers asked the various groups about their impressions of the changes. Managers, first-line supervisors, and nonsupervisory employees provided comments.

Managers were extremely positive about the Project EXPO initiatives, particularly those concerning pay and performance appraisal. With their EXPO authority to set appointees' rates of pay within an established pay band, managers stated that they were finally able to contend with the pay gap that exists between New London and local economy jobs. One manager explained that they were able to "sit down and deal with applicants" in a manner similar to private industry. The managers were enthusiastic about the connection between performance appraisal and pay in Project EXPO. They stated that the new system allowed them to prove to employees that if they did more than satisfactory work, they would be recognized in tangible ways. They felt this led to increased employee participation, greater pride and morale, and an emphasis on customer satisfaction. According to managers, employees had achievable job standards that were concrete and related to business goals affecting the bottom line. Employees also had a personal interest in the organization, knowing that if it did well, they would too.

Managers were concerned about the exclusion of CT employees from the pay initiatives. They felt EXPO Plus helped ease the discrepancies between the two personnel systems, but saw it as a stop-gap measure. They wanted to have the CT employees included in the EXPO pay initiatives.

Overall, managers were extremely positive about Project EXPO. It allowed them to hire more qualified people, which, in turn, resulted in better products and services. As a consequence of those two changes, demand for their services had increased. They were quick to credit top NAF managers, particularly the Director, for infusing the work force with the EXPO philosophy and for the success of the project.

First-line supervisors were also enthusiastic about the EXPO initiatives. Through pay banding they were able to attract better employees by offering higher starting salaries and by rewarding outstanding performance with increases within the pay band. They also reported that performance appraisals were more meaningful and effective under EXPO. Employees were motivated to meet the performance standards necessary to achieve recognition and financial rewards.

Supervisors noted that some aspects of EXPO negatively affected some employees, both supervisory and nonsupervisory employees. One supervisor noted that he had waited for a within-grade increase for almost 3 years, only to be denied it because of the conversion to EXPO. Others expressed the opinion that in averaging past differential rates to adjust current employees' salaries, the use of a 3-month comparison period may have been too short to reflect the typical rate of differentials earned. Supervisors were also concerned about differences in how overtime was calculated for EXPO and CT employees (work in excess of 40 hours per week versus in excess of 8 hours per day) because of unequal and potentially unfair treatment of employees.

The supervisors noted that the transition to the EXPO system required changes on their part, both as supervisors and employees. One supervisor described the novel situation of asking her supervisor for a raise and then explaining why she deserved it. They also noted that conducting performance appraisals and disciplinary actions was significantly different under EXPO. Performance appraisals now contain elements that relate directly to the operation of the activity and

are more honest in pointing out contributions or deficiencies of an employee's performance. One supervisor noted that EXPO taught her the difference between motivating employees toward improved performance and disciplining them for inappropriate behavior.

The nonsupervisory employees interviewed were supportive of Project EXPO, in spite of their initial fears after attending the first EXPO orientation meeting. They liked the fact that under pay banding they could receive a pay adjustment if they deserved it without waiting for a full year to pass. They were positive about the link between performance and pay, noting that employees now pay more attention to their work and are no longer in the position of having to work beside people who "slough off." Employees indicated that they can see a direct relationship between the level of service they provide and revenues their activities generate, and this has made them realize that their performance affects the bottom line of their business.

Nonsupervisory employees had some initial fears about potential abuse of employees because of (1) the new abbreviated grievance procedures, (2) business-based personnel actions, and (3) raises based on supervisory recommendations. The employees reported that none of their fears had been confirmed. Employees noted some instances when employees did not receive pay increases that appeared to be deserved, but most felt the system was working well. They indicated that the CT employees wanted to be included in the EXPO pay provisions. They cautioned, however, that EXPO gave so much power to managers and supervisors that it increased the potential for abuse. As one employee noted, "as long as you have good managers and supervisors, EXPO can work."

Implementation Summary. Implementation of EXPO initiatives was a success at New London. Those interviewed credited management for this accomplishment. The work force had a new sense of pride in its work and a knowledge that exceptional performance would lead to rewards. The initiatives have helped the NAF activities compete with local businesses and attract, retain, and reward better employees.

Naval Station, Rota, Spain

NPRDC personnel conducted interviews regarding the implementation of Project EXPO at Naval Station, Rota, Spain, on 29 October 1990. The MWR Director, NAF personnelists, activity managers, first-line supervisors, and nonsupervisory employees participated in the interviews.

Implementation Issues. The MWR Director provided interviewers with background on implementation efforts. Because of its location outside the Continental U.S., Naval Station Rota experiences conditions different from those at other Navy sites participating in Project EXPO. A major difficulty at Rota is the inability to recruit adequately trained employees. They often have to hire individuals with little or no job experience and provide extensive training to bring them to a level of full competency. Because virtually the entire work force is comprised of spouses of military personnel, there is extremely high turnover. Those who finally achieve job competency are rapidly rotated out to be replaced by new, unskilled candidates. This situation makes it difficult to take advantage of the benefits of Project EXPO (e.g., attract skilled employees with higher starting salaries) and to keep the work force informed and trained regarding the Project EXPO system.

Supervisory personnel lack relevant experience. Many are holding supervisory positions for the first time and do not know how to perform routine supervisory tasks. Many first-line supervisors reported the difficulty in understanding and applying Project EXPO initiatives while still learning the basics of being a supervisor (e.g., conducting performance appraisals).

Finally, Rota has different employment policies for U.S. NAF employees and local Spanish national employees. The Spanish employees are under a completely separate, highly structured personnel system, which allows for step increases every 3 years, a cost of living adjustment every January, and no more than one award per year, not to exceed 3 percent of the recipient's salary. Spanish salaries are reportedly much higher than those of NAF employees. Thus, Spanish and NAF employees work side-by-side in like positions for widely differing rates of pay. NAF employees perceive their positions to be inferior in terms of compensation to both General Schedule employees and Spanish nationals. U.S. and Spanish supervisory personnel administer the EXPO system, designed to provide maximum flexibility for management. Managers accustomed to the highly structured, inflexible Spanish system report a difficult adjustment to the highly flexible EXPO system.

Level of Use. The use of the Project EXPO initiatives at Rota varied over time and among activities. In the first months of the project, managers were enthusiastic about the new system. The EXPO Coordinator was credited by many as being a driving force behind the successful use of the EXPO initiatives. When the person serving as the EXPO Coordinator left Rota, and was not replaced by another EXPO champion, the use of the EXPO initiatives became more of a problem. Some activities granted frequent pay raises and awards to their employees while other activities were less inclined to do so, leading to employee dissatisfaction and management concern. At the time of the interviews, approximately one year after the test was initiated at Rota, management was formulating guidelines for the fair administration of the EXPO initiatives. A centralized committee had been established to review all proposed pay increases and awards in the Department and recommend approval or disapproval by the MWR Director. At the time of the interviews, the understanding of, support for, and use of the initiatives varied widely from activity to activity.

Initial Acceptance of the Changes. Managers, first-line supervisors, nonsupervisory employees, and NAF personnelists were interviewed. NPRDC personnel also conducted group interviews, with two sessions for nonsupervisory employees because of their numbers.

Managers said that they had anticipated improvements in the NAF personnel system under EXPO, and after one year in operation they reported that not all of their expectations had been met. They noted that the EXPO concept was sound and workable, but that local conditions made its use at Rota problematic. They reported that because of the low skill level of the available labor pool and the high turnover rate, they had not been able to use pay banding to its full potential. It had been helpful in some cases, however, such as in increasing the starting salary of cashiers to compete against the Navy Exchange in attracting candidates to the positions.

Managers were frustrated with the system of rewarding employees, feeling they did not have an understanding of the awards budget and the criteria for awards and pay increases. They were dissatisfied with the committee reviewing pay raises and awards, noting it was exceedingly slow, contained individuals who could not know about job requirements and employee performance in all activities, and often approved or disapproved actions without explanation.

Managers felt the work force still needed to be educated about the philosophy and operation of Project EXPO. They noted the need to clarify the link between performance and pay. Despite their concern about certain aspects of the initiatives, they were supportive of the EXPO system and felt it made personnel actions easier to perform.

Supervisors were also positive about the flexibility that EXPO afforded. They appreciated having the authority to match salary rates to employee experience and skill levels, but indicated that it had worked well for some employees, but not for others.

Supervisors said that they had not received enough training to carry out the EXPO initiatives. Further, as new supervisors, many felt they also needed basic supervisory training to successfully manage under EXPO. They were also dissatisfied with the pay and awards review process and the lack of clear guidelines and communication regarding compensating and rewarding employees. The lack of control over giving awards and pay increases and the long delay in waiting for higher levels to make these decisions caused them a great deal of difficulty with their subordinates. They would have preferred to have a part of the budget they control earmarked for awards and pay increases.

The majority of nonsupervisory employees supported the concept of EXPO but felt it was not working well at Rota. They indicated that in some activities it had never worked well, in others it had worked well until the departure of the EXPO Coordinator, and that it was working exceedingly well at the time of the interviews in the Child Development Center. Employees were dissatisfied that many had not received pay increases since the beginning of EXPO, that many experienced employees were still working at the same rate of pay as new hires, that Spanish employees received higher salaries and awards, and that they often did not receive performance appraisals as they should. They felt committee approval of supervisors' recommendations for pay increases and awards was unfair because the committee members did not know them or their work. They recommended that supervisors should have authority to make decisions about pay and awards up to a certain level and reserve higher levels of approval for larger dollar amounts. They stressed the fact that the EXPO system was highly dependent on the characteristics and abilities of the supervisor administering it--with excellent supervisors it could function extremely well, but with poor supervisors it could lead to abuses.

NAF personnelists were positive about the EXPO system. They reported that most supervisors seemed to understand the system. One added, "EXPO is only as good as the supervisor who implements it; if he knows its 'ins and outs' it can work well." They said that employees most often contact them with questions about performance appraisal and pay raises. They reported that some employees were uncomfortable in approaching their supervisor for a raise and also that some supervisors did not provide adequate feedback as to how to improve performance. EXPO had increased the workload for the personnelists, mainly due to the increased number of performance appraisals to process. The personnelists initiated a system to update supervisors on the status personnel actions for employees. On a quarterly basis, they sent supervisors a list of employees with information such as date of hire, current salary, last evaluation date, and date of last pay increase.

Implementation Summary. The implementation of Project EXPO at Rota was somewhat difficult and required refinement mainly because of the nature of the applicant pool for MWR jobs

and the contrast of the EXPO system to the Spanish system. NAF management was continuing to look for ways in which to structure a system under EXPO that will respond to the demands of the organizational setting and provide fair treatment for all employees at Rota.

RESULTS AND DISCUSSION

Air Force

NAF Operational Indicators

Evaluation of the NAF initiatives used information from NAF operational indicators, surveys and interviews, and profitability data. In this section, information from these sources is presented for each of the four military components. This section concludes with a summary of the overall NAF EXPO test.

A basic thrust of the EXPO initiatives was the reduction of administrative and procedural requirements in human resource management. Several indicators that had a bearing on staffing, compensation, employee relations, and business operations were selected to describe the effect of the EXPO initiatives on the operation of NAF activities.

Information concerning the number of employees on board and gross payroll is reviewed first. Table 7 presents the number of serviced employees prior to and following the introduction of the EXPO initiatives for the eight Air Force sites. The time frames indicated are 6-month intervals. The baseline figure is for the 6-month period prior to Time 1. Times 2, 3, 4, and 5 describe subsequent periods of approximately 6 months. Measurement periods at some of the sites varied from the 6-month interval; exact periods of measurement are presented in Appendix G. Due to shorter participation times, some of the sites did not report for all time periods. The number of employees and gross payrolls are averages for the time periods covered.

Table 7
Total Serviced Employees at Air Force Sites

Site	Baseline	Time 1	Time 2	Time 3	Time 4	Time 5
Andrews	634	695	748	773	845 ^a	--
Chanute	294	269	287	300	318	311 ^a
Davis-Monthan	370	354	372	369	372	372 ^a
Hickam	854	895	906	932	950	931 ^a
Minot	260	248	242	245	220 ^a	--
Patrick	487	485	485	491	495	495 ^a
Sembach	234	280	539	539	502	--
Warren	164	160	161	173	179 ^a	--

Note. Dash indicates data not available.

^aIndicates data collected for a 3-month period.

As can be seen from the information in Table 7, the number of employees has been relatively constant over time for most of the test sites. Andrews and Sembach report the largest increases from baseline to the latest reporting period. The ratio of flexible to permanent employees is reported in Appendix H. For the majority of the sites there is a moderate increase in the proportion of flexible employees to permanents from the baseline period to the latest reporting period; however, there is no indication that Project EXPO has led to a *major* change in the relative proportion of flexible employees to permanents in the work force (i.e., such as might follow conversion of a significant number of permanent positions to flexible ones to avoid paying benefits).

Table 8 presents the average gross payroll for the same time periods. Reported amounts are in real dollars and exclude benefits. An increase in gross payroll is evident for the majority of the sites. The sites that increased the greatest in average gross payroll, however, were the same sites that increased most in number of NAF employees. The proportion of employees to gross payroll stayed relatively stable over time. This proportion decreased somewhat at Andrews and Minot, indicating a lower average cost per employee per pay period. At Sembach, where a new NCO club was opened mid-test, the proportion dropped sharply because the majority of the club positions were for relatively low rates of pay and for less than 40 hours per week. The proportion increased slightly at the other five sites. The percentage of gross payroll accounted for by regular payroll costs as opposed to other payroll costs (e.g., overtime, premium pay) remained constant over time (see Appendix H), indicating that the EXPO initiatives did not eliminate the need for special rates of pay.

Table 8
Average Gross Payroll per Pay Period at Air Force Sites

Site	Baseline	Time 1	Time 2	Time 3	Time 4	Time 5
Andrews	\$205,888	\$230,755	\$246,458	\$245,702	\$301,445 ^a	--
Chanute	87,997	86,287	86,259	92,913	100,563	\$107,615 ^a
Davis-Monthan	103,366	102,620	102,224	106,435	110,767	114,437 ^a
Hickam	342,072	354,382	361,209	375,545	382,893	401,237 ^a
Minot	59,676	53,392	52,125	53,496	55,475 ^a	--
Patrick	154,693	158,505	160,906	165,483	174,891	184,347 ^a
Sembach	61,086	66,181	72,619	93,813	106,131	--
Warren	47,924	48,338	47,942	47,447	53,098 ^a	--

Note. Dash indicates data not available.

*Indicates data collected for a 3-month period.

It was expected that the time required to fill a position would be substantially reduced as a result of the new streamlined procedures. Time to fill a position was defined as the time that elapsed between the receipt of the Air Force Form 2548 by the HRO to the date the employee started work. Tables 9 and 10 compare average time to fill a vacancy for the baseline period (pre-EXPO) with average time for the EXPO test period. Table 9 reports on those positions for which physicals were required, and Table 10 reports on those positions not requiring physicals. Physical examinations are typically required for food handling jobs. The time required to fill these jobs is affected by hospital or clinic schedules, beyond the control of most staff; thus, those times are reported

separately. The information from Hickam appears in Table 9, which covers both kinds of jobs, those requiring physicals and those that did not. The information from F. E. Warren is presented in Table 10 because its employees were conditionally hired pending receipt of food handler or physical certification. As can be seen, four of the eight sites reported a decrease in the time required to fill vacancies with required physicals, and five of the seven sites reported a decrease for positions without physical requirements.

Table 9
Time to Fill Jobs With Physical Requirements at Air Force Sites
(Days)

Site	Baseline	Time 1	Time 2	Time 3	Time 4	Time 5
Andrews	--	2.3	2.7	4.4	4.2 ^a	--
Chanute	15.0	10.0	10.0	10.0	7.0	7.0 ^a
Davis-Monthan	7.5	7.5	7.5	7.5	7.5	7.5 ^a
Hickam ^b	21.0	6.5	7.0	7.5	6.8	6.0 ^a
Minot	11.0	5.0	8.5	10.5	3.0 ^a	--
Patrick	10.0	4.0	3.7	2.6	3.0	2.3 ^a
Sembach	5.5	5.5	5.5	5.5	5.5	--
Warren ^c	--	--	--	--	--	--

Note. Dash indicates data not available.

^aIndicates data collected for a 3-month period.

^bData covers both types of positions--those that required physicals and those that did not.

^cNo data were provided for those jobs requiring physicals. Employees were conditionally hired pending receipt of food handler or physical certification.

Table 10
Time to Fill Jobs Without Physical Requirements at Air Force Sites
(Days)

Site	Baseline	Time 1	Time 2	Time 3	Time 4	Time 5
Andrews	--	1.9	1.4	1.6	2.5 ^a	--
Chanute	8.0	3.0	3.0	3.0	3.0	3.0 ^a
Davis-Monthan	1.5	1.5	1.5	1.5	1.5	1.5 ^a
Hickam	--	--	--	--	--	--
Minot	11.0	2.0	1.5	5.5	0.5 ^a	--
Patrick	4.0	2.0	1.3	0.6	0.3	0.4 ^a
Sembach	5.5	3.0	3.0	3.0	3.0	--
Warren	5.0	10.0	2.5	2.5	2.6 ^a	--

Note. Dash indicates data not available.

^aIndicates data collected for a 3-month period.

It was expected that EXPO changes would reduce HRO costs. Thus, the effect of EXPO initiatives on HRO payroll costs was also examined. The HRO cost figures for the test sites over time showed reductions in payroll cost for six of the eight sites (Table 11). Payroll costs declined as well in terms of the *number* of employees serviced. The results suggest that the EXPO initiatives had a moderately positive effect on HRO payroll costs.

Table 11
HRO Payroll Costs at Air Force Sites

Site	Baseline	Time 1	Time 2	Time 3	Time 4	Time 5
Andrews	\$36,549	\$39,169	\$39,188	\$41,335	\$21,753 ^a	--
Chanute	19,511	17,627	18,210	18,210	19,364	\$9,682 ^a
Davis-Monthan	4,200	2,736	2,953	0 ^b	0	--
Hickam	58,834	43,905	46,615	48,698	51,255	27,845 ^a
Minot	11,643	8,606	5,182	5,812	2,896 ^b	--
Patrick	20,388	23,219	25,914	27,488	27,944	\$16,122 ^a
Sembach	29,340	25,543	31,963	23,710	25,862	--
Warren	11,581	14,369	5,826	6,530	4,678 ^a	--

Notes. 1. HRO = Human Resources Office.

2. Dash indicates data not available.

^aIndicates data collected for a 3-month period.

^bPositions converted from nonappropriated fund (NAF) to appropriated fund (APF) support.

An important feature of the EXPO package is the cash award program. Table 12 lists the amount of money given out, the average award amount, and the number of awards given during the baseline period and during the EXPO test periods. Seven of the eight sites reported greater total amounts of cash distributed in the form of awards after the EXPO initiatives were introduced. For most of the eight sites small awards were given to more people, showing broader distribution of award money within the NAF activities.

Another improvement anticipated as a result of the initiatives was improved working relationships and a system designed to retain good employees. One possible indicator of improvement in this area is the turnover rate. The Air Force NAF sites defined turnover as the ratio of positions filled/promotions/reassignments/lower grade changes to the average total serviced employees during each reporting period. Table 13 presents the turnover rates over time for all test sites. Turnover rates declined at three of the sites. Appendix H presents additional information pertaining to resignations and terminations.

Table 12
Total Awards, Average Award, and Number of Awards Given at Air Force Sites

	Baseline	Time 1	Time 2	Time 3	Time 4	Time 5
Andrews						
Total Awards	\$5,586	\$16,850	\$6,650	\$16,468	\$4,367*	--
Average Award	\$84	\$263	\$142	\$214	\$230	--
Number of Awards	66	64	47	77	19	--
Chanute						
Total Awards	\$1,500	\$475	\$4,344	\$6,349	\$5,739	\$1,410*
Average Award	\$188	\$158	\$121	\$122	\$120	\$108
Number of Awards	8	3	36	52	48	13
Davis-Monthan						
Total Awards	\$0	\$2,550	\$2,425	\$10,500	\$10,390	\$675*
Average Award	\$0	\$73	\$67	\$77	\$46	\$38
Number of Awards	0	35	36	136	227	18
Hickam						
Total Awards	\$11,022	\$465	\$12,359	\$7,101	\$2,850	\$22,117*
Average Award	\$239	\$52	\$193	\$108	\$73	\$181
Number of Awards	46	9	64	66	39	122
Minot						
Total Awards	\$0	\$1,905	\$2,650	\$2,150	\$525*	--
Average Award	\$0	\$79	\$74	\$77	\$38	--
Number of Awards	0	24	36	28	14	--
Patrick						
Total Awards	\$2,532	\$3,755	\$5,425	\$9,820	\$3,100	\$8,008*
Average Award	\$362	\$150	\$85	\$105	\$61	\$121
Number of Awards	7	25	64	94	51	66
Sembach						
Total Awards	\$1,691	\$7,768	\$2,975	\$9,025	\$2,800	--
Average Award	\$113	\$200	\$32	\$129	\$90	--
Number of Awards	15	39	93	70	31	--
Warren						
Total Awards	\$0	\$630	\$2,155	\$775	\$1,464*	--
Average Award	\$0	\$39	\$72	\$29	\$86	--
Number of Awards	0	16	30	27	17	--

Note. Dash indicates data not available.

*Indicates data collected for a 3-month period.

Table 13
Turnover Rates at Air Force Sites
(%)

Site	Baseline	Time 1	Time 2	Time 3	Time 4	Time 5
Andrews	51.7	68.8	54.0	72.2	27.2 ^a	--
Chanute	55.8	48.0	50.2	69.3	81.7	35.4 ^a
Davis-Monthan	51.0	48.0	51.0	64.0	63.0	31.0 ^a
Hickam	53.2	63.9	63.4	64.2	59.0	31.0 ^a
Minot	77.0	76.0	61.0	67.8	24.1 ^a	--
Patrick	70.6	56.1	62.1	48.7	43.9	25.0 ^a
Sembach	74.8	69.6	55.5	77.4	60.5	--
Warren	58.0	69.0	64.0	63.0	29.0 ^a	--

Note. Dash indicates data not available.

^aIndicates data collected for a 3-month period.

A possible negative consequence of the pay band system was that hourly cost of manpower might sharply increase. Table 14 presents the average actual hourly cost under pay banding compared with the average cost that would be paid employees under the traditional system (the "what if" cost) for 6 quarters under EXPO for all eight test sites. As the data indicate, there was a very close correspondence between the average hourly cost under the pay band system and the cost projected for the traditional system. Of the eight sites, at the last reporting period, four had lower pay rates under EXPO and four had higher pay rates. Pay banding, as yet, has not led to dramatic increases in average hourly pay rates over what they would have been without pay banding.

The effect of the EXPO initiatives on hiring of veterans and military spouses was also monitored. These data are presented in Appendix H. The test sites did not show discernible differences in the number hired between the pre-EXPO period and the test period. The percentage of minorities and females on board was also monitored for these time periods and is presented in Appendix H. The percentages are highly consistent over time for both sets of EEO statistics, indicating that the flexibility in personnel management under EXPO has not led to unfair employment practices in these areas.

Employee Assessment of EXPO

Supervisors', and managers', and nonsupervisory employees' assessments of Project EXPO were measured through the use of attitude questionnaires administered to employees at each site. Response rates for the two administrations of the survey are presented in Appendix I. Due to the high turnover among NAF employees, subjects were not tracked from Year 1 to Year 2. The response rate was fairly low at a number of sites, primarily due to the proportionally small number of nonsupervisory employees responding. A total of 3,956 questionnaires were distributed the first year, with a return rate of 45 percent; in the second administration, 29 percent of 6,232 questionnaires were returned.

Table 14

Average Actual Hourly Pay and Average "What If" Hourly Pay for Air Force Sites

Site	3rd Quarter 89		4th Quarter 89		1st Quarter 90		2nd Quarter 90		3rd Quarter 90		4th Quarter 90	
	Actual	What if										
Andrews	--	--	6.23	6.14	6.32	6.25	6.35	6.31	6.72	6.60	6.86	6.70
Chanute	--	--	5.34	5.56	5.40	5.49	5.59	5.65	5.60	5.70	5.63	5.73
Davis-Monthan	5.18	5.18	5.52	5.55	5.58	5.59	5.64	5.60	5.76	5.66	6.00	5.97
Hickam	--	--	6.68	6.51	6.92	6.74	7.00	6.84	7.23	7.07	7.37	7.17
Minot	4.80	5.00	4.81	5.05	4.80	5.05	4.93	5.17	5.13	5.34	5.23	5.06
Patrick	5.95	5.95	5.97	5.97	5.98	5.99	6.11	6.17	6.30	6.38	6.49	6.59
Sembach	--	--	5.10	5.30	5.32	5.48	5.24	5.42	5.70	5.84	--	--
Warren	--	--	5.81	5.87	5.91	5.91	6.01	6.01	6.19	6.19	6.14	6.25

Note: Dash indicates data not available.

The views of managers, supervisors, and nonsupervisory employees regarding the changes tested under EXPO were obtained from an attitude survey administered in 1989, during the first year of the project. Three sets of questionnaire items were administered. One set measured the extent to which specific changes produced positive or negative effects (Table 15), the second set measured the perceived effect of EXPO on the conduct of NAF operations (Table 16), and the third set measured how well personnel-related activities were carried out using the EXPO guidelines in comparison with guidelines of the previous system (Table 17).

Table 15
Supervisors' and Managers' Assessment of the Effect of EXPO
Changes at Air Force Sites

	AND	CH	DM	HCK	MIN	PAT	SEM	WAR	Overall/ Confidence Interval
EXPO Hiring Procedures ...									
Are easy to carry out	4.4	4.0	4.3	4.2	4.1	3.9	4.5	3.8	4.1 ± .2
Result in fair selection	4.1	3.9	4.1	3.9	3.7	3.9	4.0	3.8	3.9 ± .1
Involve more work	1.5	1.9	1.9	1.7	1.8	2.0	1.2	2.1	1.7 ± .2
Increase problems	1.9	1.8	2.1	2.1	1.9	2.0	2.0	2.5	2.1 ± .2
EXPO Removal Procedures ...									
Save time	3.7	3.2	3.5	3.1	3.8	3.7	3.5	3.5	3.5 ± .2
Are easy to carry out	3.7	2.9	3.2	3.1	3.6	3.6	3.2	3.5	3.4 ± .2
Permit flexibility	3.8	3.5	3.7	3.3	3.6	3.6	3.7	3.5	3.4 ± .2
Increase problems	2.3	2.4	2.6	2.5	2.1	2.4	2.3	2.8	2.5 ± .2
EXPO Disciplinary System ...									
Is effective	3.7	3.4	3.5	3.5	3.4	3.4	3.4	3.6	3.5 ± .1
Is easy to carry out	3.8	3.2	3.5	3.5	3.6	3.4	3.8	3.6	3.5 ± .2
Is fair	3.9	3.5	3.8	3.7	3.6	3.4	3.6	3.6	3.6 ± .1
Interrupts day-to-day work	2.2	2.0	1.8	2.2	1.8	1.6	1.6	2.0	1.9 ± .2
EXPO Pay Banding ...									
Is fair	3.6	3.8	3.9	3.7	2.9	3.1	3.9	3.6	3.5 ± .3
Permits greater control	3.8	4.1	3.5	4.2	3.5	3.1	3.6	4.0	3.7 ± .3
Permits flexibility	3.9	4.0	3.8	4.2	3.5	3.2	4.4	3.9	3.8 ± .3
EXPO Awards System ...									
Is beneficial to productivity	4.1	3.9	3.7	4.0	3.2	3.6	4.6	4.0	3.8 ± .3
Is beneficial to morale	4.2	3.8	3.6	4.0	3.1	3.5	4.4	4.2	3.8 ± .3

Notes. 1. EXPO = Experimental Civilian Personnel Office Project.

2. AND = Andrews ($n = 19$), CH = Chanute ($n = 11$), DM = Davis-Monthan ($n = 14$), HCK = Hickam ($n = 26$),

MIN = Minot ($n = 18$), PAT = Patrick ($n = 32$), SEM = Sembach ($n = 8$), WAR = Warren ($n = 28$).

3. Responses are based on 5-point scale: 1, "Not At All"; 3, "Some Extent"; and 5, "Very Great Extent."

Table 16
**Supervisors' and Managers' Assessment of the Effect of EXPO
on NAF Operations at Air Force Sites**

	AND	CH	DM	HCK	MIN	PAT	SEM	WAR	Overall/ Confidence Interval
EXPO Effect on ...									
Meeting goals and objectives	5.1	4.8	5.1	5.8	4.7	5.0	5.6	4.8	5.1 ± .3
Hiring people	5.9	4.6	5.5	6.1	6.0	5.3	5.7	4.9	5.5 ± .4
Promoting people	5.6	4.9	5.1	6.1	4.5	5.3	6.1	4.5	5.2 ± .4
Recognizing performance	5.3	5.5	5.2	6.0	4.7	5.7	5.7	4.9	5.7 ± .4
Creating environment in which subordinates work effectively	5.2	4.6	5.2	5.7	4.9	5.1	5.6	4.9	5.2 ± .3
Ability to plan work, etc.	5.6	4.6	5.1	5.8	4.9	5.0	5.6	4.8	5.2 ± .3
Reducing regulatory constraints	5.5	5.1	5.4	5.9	5.3	5.0	5.1	4.4	5.2 ± .3
Overall Index	5.5	4.9	5.2	5.9	5.0	5.2	5.6	4.7	5.2 ± .3

Notes. 1. EXPO = Experimental Civilian Personnel Office Project.

2. NAF = Nonappropriated Fund.

3. AND = Andrews ($n = 19$), CH = Chanute ($n = 11$), DM = Davis-Monthan ($n = 14$), HCK = Hickam ($n = 26$),
MIN = Minot ($n = 18$), PAT = Patrick ($n = 32$), SEM = Sembach ($n = 8$), WAR = Warren ($n = 28$).

4. Responses are based on a 7-point scale: 1, "Very Negative"; 4, "No Effect"; and 7, "Very Positive."

Table 17
**Supervisors' and Managers' Assessment of NAF Operations Before and
After EXPO at Air Force Sites**

	AND	CH	DM	HCK	MIN	PAT	SEM	WAR	Overall/ Confidence Interval
In Comparison With the System Before EXPO ...									
Your activity operates	3.4	3.3	3.7	3.5	3.1	3.5	4.0	3.3	3.4 ± .2
Customer service is	3.6	3.0	3.5	3.6	3.2	3.6	4.0	3.2	3.5 ± .2
Awards system is	3.6	3.8	3.5	3.8	3.1	3.9	4.2	3.6	3.7 ± .2
Job security is	3.2	2.6	3.4	3.1	2.6	3.2	2.8	2.9	3.0 ± .3
Protection against firing is	3.1	2.7	3.1	3.0	2.6	2.9	3.2	3.1	3.0 ± .2
Quality of employees is	3.4	3.3	3.5	3.3	2.8	3.4	3.5	3.3	3.3 ± .2
Your benefits are	3.6	3.4	3.5	3.3	2.6	3.2	3.8	3.3	3.3 ± .4
Overall Index	3.4	3.2	3.4	3.4	2.9	3.4	3.6	3.2	3.3 ± .2

Notes. 1. NAF = Nonappropriated Fund.

2. EXPO = Experimental Civilian Personnel Office Project.

3. AND = Andrews ($n = 19$), CH = Chanute ($n = 11$), DM = Davis-Monthan ($n = 14$), HCK = Hickam ($n = 26$),
MIN = Minot ($n = 18$), PAT = Patrick ($n = 32$), SEM = Sembach ($n = 8$), WAR = Warren ($n = 28$).

4. Responses are based on a 5-point scale: 1, "Much Worse"; 3, "Same"; and 5, "Much Better."

Managers and supervisors indicated that the EXPO changes were beneficial and that negative aspects of the changes (e.g., increased work, interruption of day-to-day work) were minor (Table 15). They gave the highest ratings to initiatives involving the new hiring procedures and awards system. There were no sharp discrepancies in the results from the various sites.

Managers and supervisors felt that EXPO had a somewhat positive to very positive effect on all of the personnel practices assessed. EXPO had the most positive impact on the ability to hire people and to recognize good performance (Table 16). In comparing EXPO with the previous system, managers and supervisors favored EXPO (Table 17). The operation of their respective activities, customer service, and the awards system were judged slightly better under EXPO than under the old system.

Employee attitudes toward EXPO-related changes in personnel practices were obtained from seven of the eight sites. Table 18 presents the mean responses of employees from the seven sites to the survey questions. Employees rated the job training they received as good, and they felt positive about working there. Employees at all sites, particularly Sembach AB, reported that the pay was somewhat higher in the community in comparison with their own.

Table 18

**Nonsupervisory Employee Evaluation of Project EXPO Changes
Across Seven Air Force Sites**

	CH	DM	HCK	MIN	PAT	SEM	WAR	Overall/ Confidence Interval
Job training	4.0	4.3	3.9	3.9	4.0	3.7	3.9	4.0 ± .1
Pay comparison to local community	2.6	2.5	2.3	2.9	2.1	1.8	2.1	2.4 ± .3
Management effectiveness	3.8	3.8	3.7	3.7	3.4	3.5	3.5	3.6 ± .1
Feelings about work	3.9	4.0	3.9	3.8	3.4	4.0	4.0	3.8 ± .2
Familiarity with awards program ^a	2.9	2.2	2.4	2.7	2.4	2.7	3.0	2.6 ± .2
Effect of awards program	3.2	3.7	3.1	3.4	3.2	3.7	3.6	3.3 ± .2
Familiarity with pay banding ^a	2.4	1.8	1.9	2.7	2.1	2.5	3.0	2.3 ± .3
Attitude toward pay banding	2.8	4.0	2.0	2.5	2.3	3.1	3.3	2.6 ± .5
Effect of pay banding on pay raises	2.7	3.4	1.6	2.5	2.2	2.9	3.1	2.4 ± .5
Recognition of outstanding performance	2.9	2.5	2.4	2.6	2.3	2.8	3.2	2.6 ± .2
Understanding of performance rating ^b	3.9	3.2	2.9	3.4	2.8	3.0	3.7	3.2 ± .3
Attitude toward performance-based pay raise	3.1	3.9	3.4	3.4	3.1	3.6	3.5	3.3 ± .2
Ease of filling job vacancies	2.5	3.5	2.9	3.2	3.0	3.1	3.0	3.0 ± .2
Customer needs met ^c	4.2	4.1	4.0	3.9	3.8	3.8	3.8	3.9 ± .1

Notes. 1. EXPO = Experimental Civilian Personnel Office Project.

2. CH = Chanute (*n* = 91), DM = Davis-Monthan (*n* = 42), HCK = Hickam (*n* = 109), MIN = Minot (*n* = 118),
PAT = Patrick (*n* = 139), SEM = Sembach (*n* = 45), WAR = Warren (*n* = 19).

3. Responses are based on a 5-point scale: 1, "Very Negative"; 3, "Neutral"; and 5, "Very Positive."

^aResponses are based on a 5-point scale: 1, "Not at All"; 3, "Somewhat Familiar"; 5, "Very Familiar."

^bResponses are based on a 5-point scale: 1, "Don't Understand"; 3, "Understand Somewhat"; 5, "Understand Fully."

^cResponses are based on a 5-point scale: 1, "Not at All"; 3, "To Some Extent"; "To a Great Extent"

With respect to the awards program, the means across sites indicated that employees were "slightly" to "somewhat" familiar with it and that the program had had a somewhat positive effect on people and their work. There is some divergence of opinion across sites with respect to questions dealing with pay banding. Employees at Davis-Monthan, Hickam, and Patrick reported a low degree of familiarity with the initiative; Sembach and F. E. Warren reported a higher degree of familiarity. Employees at Davis-Monthan most strongly favored pay banding, while Hickam gave pay banding the least favorable rating of the six sites. Overall, employee attitudes toward pay banding ranged from somewhat negative to neutral. Employees across the sites rated the system of basing pay raises on performance from neutral to somewhat positive.

Nonsupervisory employees were asked to respond to items comparing working conditions under EXPO to those that existed before EXPO (Table 19). Employees at the seven sites were neutral to negative in their responses, with mean responses at or below the scale midpoint of 3.0 indicating that conditions were neither better nor worse. Employee ratings at Hickam were particularly low, with all conditions perceived as being worse under EXPO than they were before EXPO.

Table 19

Nonsupervisory Employee Assessment of NAF Operations Before and After EXPO at Air Force Sites

	CH	DM	HCK	MIN	PAT	SEM	WAR	Overall/ Confidence Interval
Compared With the System Before EXPO ...								
The way you are treated	3.1	3.0	2.2	2.8	2.7	3.2	3.1	2.8 ± .3
The way your activity operates	3.1	3.1	2.2	3.1	2.8	3.2	3.0	2.9 ± .3
Customer service	3.3	3.4	2.4	3.2	3.1	3.3	3.0	3.1 ± .3
Awards system	3.0	2.9	2.0	3.1	2.8	3.5	3.2	2.7 ± .4
Job security	3.0	2.9	2.1	2.6	2.6	3.1	2.8	2.6 ± .3
Protection against being fired	3.0	3.0	2.1	2.6	2.4	3.1	2.8	2.6 ± .3
Quality of employees	3.1	3.2	2.1	2.8	2.9	3.0	3.0	2.8 ± .3
Work schedule	3.2	3.0	2.1	2.9	2.8	3.1	3.0	2.8 ± .3
Benefits	3.0	2.8	2.2	2.6	2.6	3.2	2.9	2.7 ± .3

- Notes.
1. NAF = Nonappropriated Fund.
 2. EXPO = Experimental Civilian Personnel Office Project.
 3. CH = Chanute ($n = 91$), DM = Davis-Monthan ($n = 42$), HCK = Hickam ($n = 109$), MIN = Minot ($n = 118$), PAT = Patrick ($n = 139$), SEM = Sembach ($n = 45$), WAR = Warren ($n = 19$).
 4. Responses are based on a 5-point scale: 1, "Worse"; 3, "Neither"; 5, "Much Better."

Overall, the results suggest that at the time of the survey nonsupervisory employees did not enthusiastically support the EXPO initiatives. There are understandable reasons for concern. Under EXPO, managers enjoy a greater degree of latitude in determining wage rates, working hours, and awards. In some cases, the decision may be made to pay the employees at the lower end of the pay band or to eliminate pay differentials. These decisions would not be well received by employees. In addition, one segment of the work force is under the EXPO pay system and the other is not, which raises the issue of fairness.

In summary, there appears to be consensus among supervisors and managers that the policy changes under EXPO produced benefits. Employees were not supportive of this conclusion at the time. These findings suggest that the surveyed managers perceived the EXPO experiment as successful and the changes as providing a better way of carrying out personnel-related activities in the NAF environment; nonsupervisory employees did not perceive such benefits.

Profitability Data

This section presents the figures for income, expenses, and net profit for key revenue-generating activities realized by each site during FY88, FY89, and FY90. This information, which may be indicative of the potential dollar impact of the EXPO initiatives, is presented in Table 20. The activities include NCO and Officers' Clubs, bowling centers, and, where present, marinas and golf courses.

The sites entered Project EXPO at various times during 1988 and 1989. The majority of sites showed an increase in expenses from FY88 to FY90, and half showed an increase in income and half a decrease. For most sites, net profits for FY89 and FY90 were lower than those for FY88. The majority of sites, however, reported profits for the three fiscal years. Chanute AFB reported a net loss for FY89 and FY90, which may be a response to the pending closure of the base and the efforts there to phase out the work force and services. Minot also showed a net loss for FY90. No specific explanation was readily available for this result. Influences such as the reduction of APF support to NAF activities have made it more difficult for all the installations to run profitable operations.

Interview Data

The Air Force Headquarters team and NPRDC conducted the end-of-test interviews at the various sites. The comments and observations concerning the positive and negative aspects of the EXPO changes are summarized below for each site.

Andrews Air Force Base. The Air Force Headquarters team visited Andrews in June 1989, approximately 6 months after the implementation of the Project EXPO changes, and again in May 1990.

Managers at Andrews indicated that the overall personnel system was simpler as a result of Project EXPO. The managers and the HRO staff reported that hiring procedures are easier, require less paperwork, and take less time to accomplish. Nonsupervisory employees like the "on-the-spot" award concept, the opportunity to work more than 19 hours a week as flexible employees, and the position guides that replaced position descriptions.

Concerns were expressed at Andrews that the EXPO initiatives increased the potential for unfair personnel practices. Managers and supervisors experienced procedural difficulties in adhering to the spouse preference law and in obtaining complete applications submitted to them. Managers felt that the simplified application form did not provide the information necessary for hiring (e.g., no space to list prior experience). Employees indicated some confusion over the concepts behind the EXPO changes and expressed mixed reactions toward pay banding, with some preferring automatic step increases. As a result of the visit, plans were developed to resolve some of these issues through training and use of the Air Force application form.

Table 20

**Income, Expenses, and Net Profit for Key Revenue-generating Activities
at Air Force EXPO Sites**

Site	FY88	FY89	FY90
<u>Andrews</u>			
Income	\$8,266,231	\$9,473,352	\$10,100,986
Expenses	8,003,735	9,149,060	9,513,208
Net profit	262,496	324,292	587,778
<u>Chanute</u>			
Income	1,767,983	1,757,867	1,856,876
Expenses	1,719,393	1,951,964	1,960,255
Net profit	48,590	-194,097	-103,379
<u>Davis-Monthan</u>			
Income	3,711,250	3,835,776	4,184,603
Expenses	3,471,963	3,761,913	4,220,282
Net profit	239,287	73,863	35,679
<u>Hickam</u>			
Income	8,817,138	7,020,032	7,536,501
Expenses	8,400,907	6,710,211	7,089,724
Net profit	416,231	309,821	446,777
<u>Minot</u>			
Income	2,371,964	2,489,293	1,731,661
Expenses	2,300,565	2,285,738	1,756,954
Net profit	71,399	203,555	-25,293
<u>Patrick</u>			
Income	5,821,954	5,588,346	5,643,477
Expenses	5,257,694	5,452,630	5,426,861
Net profit	564,260	135,716	216,616
<u>Sembach</u>			
Income	3,175,045	3,480,782	3,581,603
Expenses	3,040,941	3,331,676	3,493,208
Net profit	134,104	149,106	88,395
<u>Warren</u>			
Income	5,821,954	5,588,346	5,643,477
Expenses	5,257,694	5,452,630	5,426,861
Net profit	564,260	135,716	216,616

Note. EXPO = Experimental Civilian Personnel Office Project

During the 1990 interviews, supervisory and nonsupervisory employees were positive about the EXPO changes. Managers liked the flexibility of pay banding but wanted to see CT employees included. They favored the revised hiring procedures, because positions were being filled faster and with less paperwork. They would like to see a third rating level added to performance appraisal rating categories and expressed concern that awards were not being equally distributed. They perceived that nonrevenue-generating activities received fewer awards.

Employees were far more positive about EXPO at the time of the second interview. They continued to prefer the streamlined hiring procedures and pay banding. Like managers, they would like to have an additional rating added to the performance appraisal.

Chanute Air Force Base. The Air Force Headquarters team conducted interviews in February 1989. At that time, the EXPO initiatives had been in place about 7 months. A major factor that continued to influence general attitudes at Chanute is the fact that the base was scheduled for closure, and efforts were underway to phase out the work force there.

Managers supported Project EXPO. The new system is easier to administer and gives them the authority to assign employees where and when they are needed. With respect to performance appraisal ratings, they would prefer to add a third rating of "Outstanding" to the other options of "Met requirements" and "Did not meet requirements." They expressed satisfaction with the placement of the HRO under the CCPO and want to see it remain there.

Nonsupervisory employees appreciated the opportunity to work more than 19 hours a week as flexible employees and the idea of "on-the-spot" awards. At the time of the interviews, however, managers were not budgeting for or giving awards. Nonsupervisory employees expressed some confusion about the overall EXPO concept and were concerned about not receiving raises on a routine basis. Overall, they perceived EXPO as a management program and were concerned that it may foster favoritism. They also reported that they often do not know about position openings under the EXPO system.

Personnelists endorsed Project EXPO. Like managers, they wanted the HRO to stay under the CCPO and wanted to see an "Outstanding" rating added to performance appraisals. They expressed a concern that candidates who do not meet position guide qualifications might be hired by managers under the EXPO system.

As a result of the interviews, efforts were being initiated to encourage the use of "on-the-spot" awards. Employees appreciated the verbal praise they were receiving, but believed awards to be important motivators and an important part of successful implementation.

Davis-Monthan Air Force Base. The NPRDC evaluation team conducted interviews at Davis-Monthan Air Force Base in August 1990. NAF managers, HRO personnel specialists, and activity managers and supervisors participated in the interviews.

Overall, managers, supervisors, and HRO staff supported the EXPO initiatives. They found the hiring procedures to be easier, involving less paperwork and time. They estimated that typically 1 to 1-1/2 weeks were saved using the EXPO hiring process. Managers and supervisors believed the system for scheduling flexible employees worked well and saved money. They endorsed the provisions for incentives and awards, as well as pay banding, which they felt had been reasonable in terms of cost. They also reported that comment cards from customers made note of an improvement in service at NAF activities.

Issues of concern primarily involved pay and awards. Some managers cited concerns about the ceiling effects of pay banding, although the majority of managers wanted it be extended to the CT employees. Employees expressed concerns that some managers were reluctant to give awards

when they were deserved; however, other employees felt that incentives and awards were not desirable because they could lead to hard feelings.

Interviewees favored the location of the HRO under the MWR Chief and wanted to see that organization maintained. The HRO under Project EXPO has three systems to manage, which complicates its work--the system for NAF employees affected by pay banding, the personnel system for CT employees, and the one for Child Development Center employees.

Hickam Air Force Base. The Air Force Headquarters evaluation team visited Hickam Air Force Base in April 1989, and again in February 1990. They conducted interviews with supervisory and nonsupervisory personnel and the HRO staff.

In 1989, managers and employees reported liking the new position guides and the revised employee categories that allow more flexible scheduling. Managers wanted a routine reminder to periodically review employee performance for possible raises, like the old within-grade increases format. They also were concerned about pay differences among different kinds of employees and wanted to see pay banding expanded to other positions. Employees were somewhat unsure of the EXPO concepts, including pay banding and awards. The HRO reported a decrease in paperwork under EXPO. Interviewees endorsed location of the HRO under MWR.

In 1990, interviewees at Hickam were more positive about EXPO than in the previous year, particularly nonsupervisory employees. Managers reported the EXPO hiring procedures had substantially reduced the time required to fill a vacancy, and pay banding allowed them to keep employees they previously would have lost. Managers want to see pay banding extended to CT employees. They supported the new performance appraisal system. Cash awards, which had been underutilized in the first year of Project EXPO, were being distributed to more individuals, and both managers and nonsupervisory employees were positive about the increase. The interviewees still preferred having the HRO under MWR management. During the 1990 interviews, morale was high among nonsupervisory employees and they were positive about the EXPO changes; managers had positive feelings toward their personnel management responsibilities and were enthusiastic about the use of the EXPO system.

Minot Air Force Base. The NPPDC research team conducted end-of-project interviews at Minot Air Force Base in October 1990. Managers, first-line supervisors, NAF management, and HRO staff were interviewed.

Managers were strongly supportive of the EXPO changes and felt the pay initiatives should be extended to all employees. They favored the flexibility in scheduling employees that the new employment categories provided. Managers and HRO staff reported that hiring procedures are easier, require less paperwork, and take less time. Interviewees remained positive about the placement of the HRO under the MWR Department.

Managers, HRO staff, and nonsupervisory employees expressed concern that the EXPO system creates the potential for favoritism and unfair employment practices. In suggesting improvements for the program, managers asked for more control over giving awards to employees and recommended that pay levels be subject to a probationary period, allowing for adjustment if the initial level set was not appropriate. Some employees were still unclear about the pay band system,

preferring the old system of step increases. Managers reported that the new legislation on pay rates for Child Development Center employees had significantly increased NAF labor costs, making it more difficult to make NAF operations profitable. Overall, the Project EXPO changes were operating well and were well received at Minot.

Patrick Air Force Base. Managers and supervisors endorsed the EXPO initiatives, in particular the replacement of position descriptions with position guides, the simplification in hiring and removal procedures, and the increased ability to reward deserving employees. They saw the EXPO initiatives as helpful in dealing with problems that arose when financial support for NAF activities was significantly reduced. For example, under EXPO, there are no automatic wage in-grade increases, which would significantly increase payroll costs. By avoiding such increases, it was possible to keep certain NAF facilities operating.

While EXPO was preferred over the old system, several issues and problems surfaced. There were some complaints about the performance appraisal system. Some managers recommended the inclusion of an additional rating. Managers were also concerned over hiring procedures. They felt a system was needed to screen people. Managers also cited the issue of treating employees fairly. Managers felt that they must be well trained in EXPO procedures to carry them out effectively. Also, HRO personnel and supervisors expressed concern that some managers do not adequately budget for awards.

Sembach Air Base. The NPRDC research team conducted interviews with NAF managers, activity managers, first-line supervisors, and nonsupervisory personnel in October 1990. Managers and supervisors supported the EXPO philosophy and concept. They reported that the EXPO changes have produced benefits. Pay banding has enabled managers to compete with the local economy and job market in hiring qualified employees. Hiring, rewarding, and disciplinary procedures were perceived as easier and faster under EXPO.

The benefits of EXPO were significantly reduced the year prior to the interviews because of weakened financial conditions and program and policy changes at Sembach. For example, the Congressionally mandated pay bands for Child Development Center staff could not be supported by the existing budget and revenues. Financial support from other NAF activities was required, thereby placing constraints on the operation and impact of EXPO. Supervisors and managers experienced substantial reductions in their authority to reward employees with pay increases or awards because of business shortfalls.

The placement of the HRO under MWR management worked well at Sembach Air Base, according to the interviewees. The HRO not only provided support for personnel matters, but contributed to the successful implementation and execution of EXPO. HRO personnel reported that this new role placed an extra burden on their resources, and that current staffing was inadequate.

The use of the EXPO initiatives at Sembach, which proved so successful in the first year, was much more challenging with a weakened financial position. The positive effects of EXPO were not as apparent (e.g., in terms of awards and salary increases for employees), but some interviewees noted that the flexibility provided by EXPO (e.g., business-based personnel actions, no automatic step increases) had allowed them to keep more and better employees.

F. E. Warren Air Force Base. An Air Force Headquarters team conducted interviews at F. E. Warren Air Force Base in July 1989 and March 1990. During both visits the team interviewed activity managers, NAF managers and supervisors, and nonsupervisory employees.

Managers were supportive of the program in both interviews. The hiring procedures had reduced the time to fill vacancies, and managers liked being the ones with the authority to determine applicant qualifications. They said that pay banding gave them more flexibility to retain employees, and wanted to see CT employees covered. During the interviews in 1989, it was reported that few cash awards had been given; managers felt they were not making enough money to give them. Managers reported giving more awards in 1990. Managers endorse the EXPO initiatives and reported that they are receiving excellent service from the HRO.

Nonsupervisory employees felt pay raises were being awarded for performance as intended. In 1989, they expressed concerns about not receiving cost of living increases; however, in 1990, this was less of an issue. Most CT employees wanted to be included in pay banding. Nonsupervisory employees were still concerned about not receiving awards because of reduced funding. Also, they preferred that the awards be publicized to a greater extent. Overall, the changes are working well at F. E. Warren, with efforts continuing to improve their implementation.

Summary. Overall, the EXPO initiatives at the Air Force sites have produced benefits. The amount of time to fill positions has decreased appreciably. Supervisors' and managers' assessment of the EXPO initiatives indicate that they are receptive to the different features of EXPO, especially those associated with hiring and awards. They report that the changes have had a positive effect on meeting goals, hiring, promotions, and recognition of performance. In sum, they report that their activities operate more efficiently and effectively under the EXPO initiatives. Finally, for those revenue-generating activities that were monitored during the project, income has increased at most sites. This increase in income, however, has been accompanied by an increase in expenses. Continuing erosion and loss of appropriated funds coupled with the Child Development Pilot Pay Program have had a significant impact on net profits. Most sites, however, achieved a net profit. Whereas the changing economic environment makes it difficult to document the financial improvements managers perceive, the operating cost data show that the EXPO initiatives have not caused a worsening of the economic position and may be helping activities withstand the difficult economic conditions they are encountering.

Army

USAREUR

NAF Operational Indicators. Figure 3 presents the on-board strength for the two experimental USAREUR sites (Heidelberg and Stuttgart) and the comparison site (Frankfurt) for the baseline and test periods. There is no discernible fluctuation trend in on-board strength for the three sites over time. Figure 4 presents the percentage of the work force that is permanent at each site. Heidelberg consistently employs a larger proportion of permanent employees in comparison with the other two sites. An increase in the proportion of permanent employees is evident for all three communities, dispelling concerns that EXPO would lead to a large-scale conversion of permanent employees to temporaries to save money.

The more flexible procedures in the staffing area had strong positive effects. Average time to fill positions decreased dramatically for the two test sites (see Figure 5).

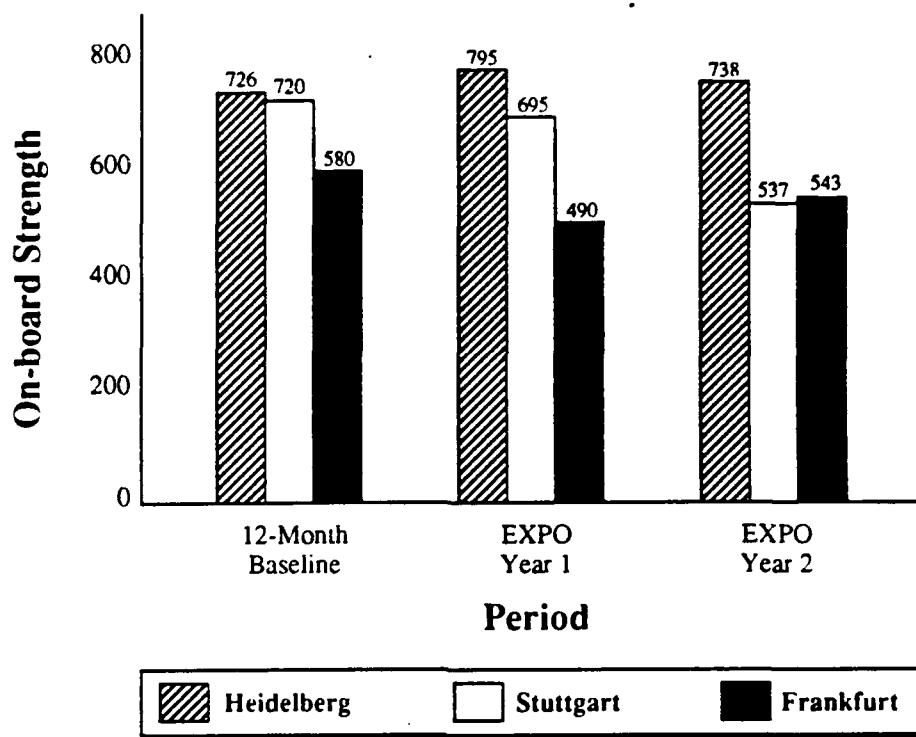


Figure 3. On-board strength for USAREUR sites.

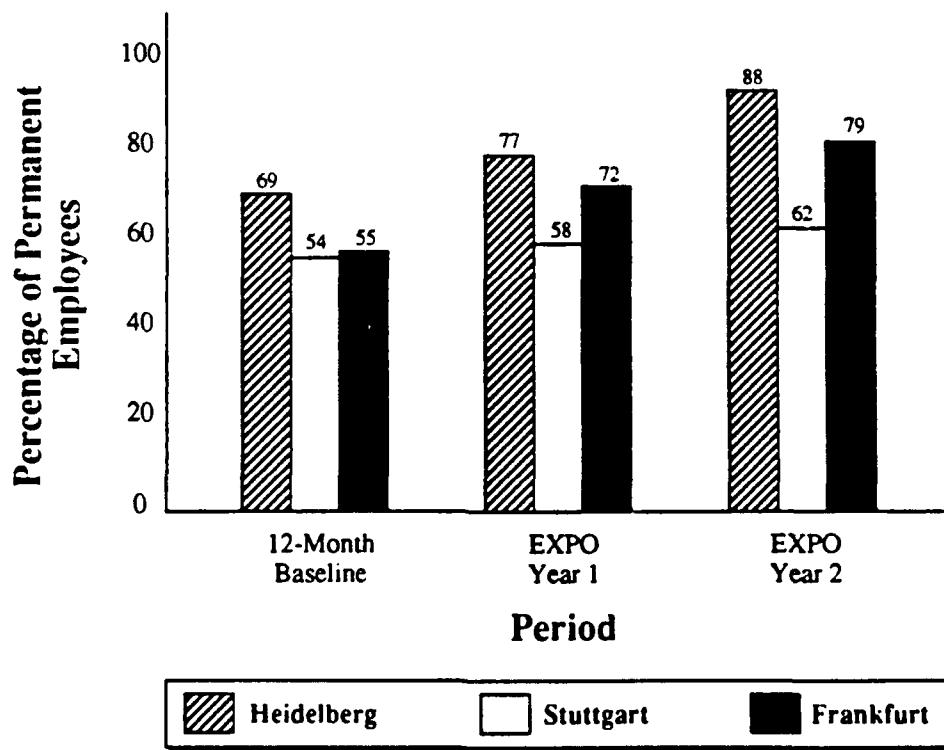


Figure 4. Percent of work force that is permanent at USAREUR sites.

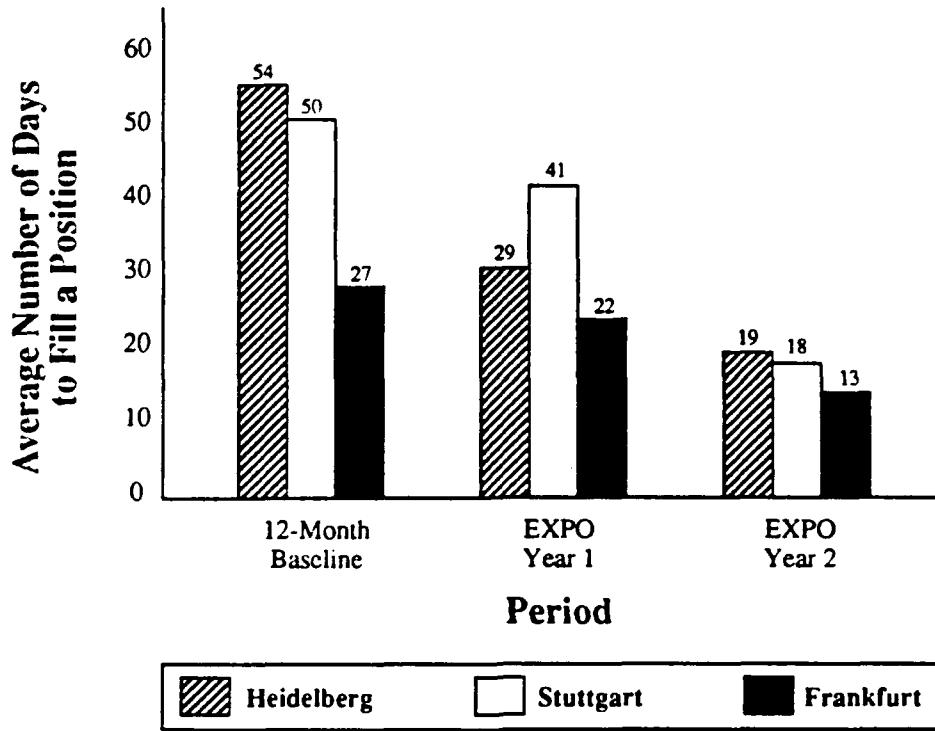


Figure 5. Average time to fill positions at USAREUR sites.

The level of manager participation in recruiting increased substantially (Table 21). Manager participation in the recruitment process was much greater at Heidelberg than at Stuttgart for both years of the EXPO test. Stuttgart made an effort to increase recruitment by managers, which is shown in the increase in year 2

Table 21
**Number of Recruitment Actions Taken by Managers and CPO
at USAREUR Experimental Sites**

	Year 1		Year 2	
	Heidelberg	Stuttgart	Heidelberg	Stuttgart
Recruitment actions	651 (100%)	531 (100%)	649 (100%)	401 (100%)
By CPO	259 (40%)	491 (92%)	136 (21%)	235 (59%)
By managers	392 (60%)	40 (8%)	513 (79%)	166 (41%)

Notes. 1. CPO = Civilian Personnel Office.
2. USAREUR = U.S. Army, Europe.

To determine if the EXPO initiatives affected labor costs, information for total payroll, premium pay and overtime pay were collected for the baseline and test periods. These data are presented in Table 22. Amounts are presented in actual dollars, not constant dollars. Clearly, the total payroll, premium and overtime pay were greater for Heidelberg than for Stuttgart. Payroll data for Frankfurt were available for the last assessment period only. Payroll expenditures at Heidelberg decreased slightly; they increased slightly at Stuttgart. Premium pay decreased sharply at Heidelberg and increased at Stuttgart. Overtime pay decreased at both sites.

The average cost per man-hour was computed for the same time periods (Table 23). The average cost reported for Heidelberg is much greater for the test periods than the average cost for Stuttgart, but is lower than its own baseline figure; in contrast, Stuttgart's costs were higher during the second test period than during the baseline.

Table 24 shows the average hourly rate for Pay Bands I and II and Pay Bands III through VII established for the last two quarters at Heidelberg and Stuttgart and the average hourly rates for AS, PS, and UA categories at Frankfurt. Amounts are presented in actual dollars, not constant dollars. Note that the "average hourly pay" includes premium pay and overtime. As can be seen, rates at all three sites for all employees improved over time, with the exception of PS employees at Frankfurt. With the exception of decreases in overtime at both experimental sites, there are no clear trends on the effect of Project EXPO on labor costs. Extreme shifts in payroll costs--increases or decreases--did not occur at either site during the test. It appears that personnel costs at USAREUR test sites were not dramatically affected, either positively or negatively, by the EXPO pay initiatives.

The total dollar amount of cash awards and the number of recipients were expected to increase as a function of the EXPO initiatives. As can be seen in Table 25, the total dollar amount increased at both test sites and exceeded that for Frankfurt. Correspondingly, data collected from October 1988 to March 1990 indicated that a greater number of employees received monetary awards at the two test communities. At Heidelberg, 492 employees received cash awards and at Stuttgart 520 employees, compared with 260 employees at Frankfurt.

The EXPO performance evaluation system, which reduced the number of rating levels from five to three, was implemented, in part, to counteract the skewed performance rating distribution typically obtained for the NAF work force. In the past, employees received an exceedingly high proportion of "Outstanding" and "Excellent" performance evaluations. Table 26 presents performance evaluation ratings for the three USAREUR sites for the baseline year and for the two test years. Clearly, the reduction in the number of rating categories has not served to make high ratings less common. Stuttgart's distribution remains essentially the same, with "Outstanding" and "Excellent" collapsed into the "Excellent" category. At Heidelberg, an even higher percentage of employees received ratings above "Satisfactory" under Project EXPO. The control site, Frankfurt, also had higher performance ratings.

Procedural changes related to management-employee relations were designed to reduce time and costs. One concern with the streamlined procedures (e.g., less extensive documentation requirements) was the potential for abuse by supervisors in disciplining employees. A sizable increase in adverse actions over time might be indicative of this problem. Table 27 presents disciplinary action data from October 1988 to March 1990. As can be seen from Table 27, there was an increase in disciplinary actions at both Heidelberg and Stuttgart, whereas Frankfurt, the control site, reported an increase in the second 6-month period, and then a decrease. The increase in disciplinary actions at Heidelberg and Stuttgart, however, are not sizable considering the number of workers employed at these sites. These data are difficult to interpret because no pre-EXPO data were available to indicate whether these variations may have occurred prior to EXPO.

Table 22

Total Payroll, Premium Pay, and Overtime for Baseline and EXPO Test Periods at USAREUR Sites

Location	Baseline	EXPO Year 1	EXPO Year 2
Total Payroll			
Heidelberg	\$13,049,338	\$12,775,074	\$12,460,917
Stuttgart	4,852,913	4,875,602	5,850,253
Frankfurt	--	--	4,585,482
Premium Pay			
Heidelberg	\$238,083	\$225,980	\$104,634
Stuttgart	65,904	83,501	94,020
Frankfurt	--	--	32,009
Overtime			
Heidelberg	\$321,137	\$253,858	\$280,012
Stuttgart	189,334	135,276	98,009
Frankfurt	--	--	138,690

Notes. 1. EXPO = Experimental Civilian Personnel Office Project.

2. USAREUR = U.S. Army, Europe.

3. Dash indicates data not available.

Table 23

Average Cost per Man-hour for Baseline and EXPO Test Periods at USAREUR Sites

Site	Baseline	EXPO Year 1	EXPO Year 2
Heidelberg	\$10.29	\$9.38	\$9.98
Stuttgart	6.69	6.69	7.28
Frankfurt	--	--	7.76

Notes. 1. EXPO = Experimental Civilian Personnel Office Project.

2. USAREUR = U.S. Army, Europe.

3. Dash indicates data not available.

4. Rates are in real dollars.

Table 24
Average Hourly Pay for Baseline and EXPO Test Period at USAREUR Sites

Time Period	Site	AS	PS	UA	Pay Bands I & II	Pay Bands III - VII
Baseline	Heidelberg	--	--	--	--	--
	Stuttgart	--	--	--	--	--
	Frankfurt	\$5.67	\$5.13	\$10.15	--	--
1 Apr 88-30 Jun 88	Heidelberg	--	--	--	\$5.42	\$10.30
	Stuttgart	--	--	--	5.13	9.72
	Frankfurt	5.82	5.25	10.12	--	--
1 Jul 88-30 Sep 88	Heidelberg	--	--	--	5.41	10.94
	Stuttgart	--	--	--	5.08	9.69
	Frankfurt	5.93	5.35	10.15	--	--
1 Oct 88-31 Dec 88	Heidelberg	--	--	--	5.56	10.66
	Stuttgart	--	--	--	5.07	9.59
	Frankfurt	6.14	4.95	10.12	--	--
1 Jan 89-31 Mar 89	Heidelberg	--	--	--	5.47	10.81
	Stuttgart	--	--	--	5.14	10.09
	Frankfurt	5.72	5.12	9.86	--	--
1 Apr 89-30 Jun 89	Heidelberg	--	--	--	5.79	10.53
	Stuttgart	--	--	--	5.14	10.09
	Frankfurt	5.74	5.22	9.97	--	--
1 Jul 89-30 Sep 89	Heidelberg	--	--	--	5.92	10.64
	Stuttgart	--	--	--	5.31	10.49
	Frankfurt	5.68	5.44	10.07	--	--
1 Oct 89-31 Dec 89	Heidelberg	--	--	--	5.87	10.48
	Stuttgart	--	--	--	5.30	10.38
	Frankfurt	5.86	5.03	10.41	--	--
1 Jan 90-31 Mar 90	Heidelberg	--	--	--	5.92	11.13
	Stuttgart	--	--	--	5.41	10.80
	Frankfurt	5.82	5.06	10.46	--	--

- Notes.
1. EXPO = Experimental Civilian Personnel Office Project.
 2. USAREUR = U.S. Army, Europe.
 3. AS = Administrative Support, PS = Patron Services, UA = Universal Annual.
 4. Dash indicates data not available.

Table 25
Total Amount of Cash Awards and Percent of Payroll for Baseline and EXPO Test Periods at USAREUR Sites

Site	Baseline	EXPO Year 1	EXPO Year 2
Heidelberg	\$127,372 (.98%)	\$160,029 (1.25%)	\$218,827 (1.76%)
Stuttgart	18,151 (.37%)	185,773 (3.81%)	135,837 (2.32%)
Frankfurt	--	--	83,350 (1.82%)

Notes. 1. EXPO = Experimental Civilian Personnel Office Project.

2. USAREUR = U.S. Army, Europe.

3. Dash indicates data not available.

Table 26
Distribution of Performance Ratings by Number and Percentage at USAREUR Sites

Rating	Baseline	Year 1		Year 2	
Heidelberg					
Outstanding	62 (26%)	--	--	--	--
Excellent	110 (46%)	319 (82%)		333 (83%)	
Satisfactory	67 (28%)	68 (17%)		68 (17%)	
Minimally Satisfactory	2 (1%)	--	--	--	--
Unsatisfactory	0 (0%)	3 (1%)		0 (0%)	
Total	241 (100%)	390 (100%)		401 (100%)	
Stuttgart					
Outstanding	50 (24%)	--	--	--	--
Excellent	135 (64%)	163 (89%)		272 (78%)	
Satisfactory	24 (11%)	20 (11%)		72 (21%)	
Minimally Satisfactory	1 (1%)	--	--	--	--
Unsatisfactory	0 (0%)	0 (0%)		3 (1%)	
Total	210 (100%)	184 (100%)		347 (100%)	
Frankfurt					
Outstanding	110 (34%)	145 (51%)		142 (42%)	
Excellent	80 (25%)	73 (26%)		122 (36%)	
Satisfactory	110 (34%)	64 (23%)		57 (17%)	
Minimally Satisfactory	0 (0%)	0 (0%)		16 (5%)	
Unsatisfactory	20 (6%)	0 (0%)		0 (0%)	
Total	320 (100%)	282 (100%)		337 (100%)	

Notes. 1. USAREUR = U.S. Army, Europe.

2. Dash indicates data not available.

3. Total number of ratings will not correspond with figures of on-board strength. Some employees leave a site before being rated; others might be rated more than once a year.

Table 27
Number of Disciplinary Actions per 6-Month Period at USAREUR Sites

Actions	1 Oct 88-31 Mar 89	1 Apr 89-30 Sep 89	1 Oct 89-31 Mar 90
Heidelberg			
Total Disciplinary Actions	4	7	12
Reprimands	2	4	6
Suspensions	2	1	4
Separations	0	2	2
Stuttgart			
Total Disciplinary Actions	6	11	13
Reprimands	3	5	4
Suspensions	2	5	6
Separations	1	1	3
Frankfurt			
Total Disciplinary Actions	12	11	5
Reprimands	6	7	2
Suspensions	4	2	1
Separations	2	2	2

Note. USAREUR = U.S. Army, Europe.

In addition, there were no indications of increases in grievances for this time period. Four were reported at Heidelberg and none at the other sites (Appendix E). Informal and formal EEO complaints increased at Heidelberg during the test period. According to the Heidelberg CPO informal complaints were not included in the baseline figures but were for the test period, making the figures for the test period appear inflated.

Employee Assessment of EXPO. Representatives of the Atlanta Field Office, United States Army Civilian Personnel Evaluation Agency, conducted interviews with managers and supervisors concerning NAF EXPO. The supervisors' and managers' general views toward the EXPO initiatives are included to supplement the operational data reviewed here. Table 28 presents frequency data on their assessments of EXPO for Heidelberg and Stuttgart. A very small number found the initiatives to be unsatisfactory, but the majority judged them to be satisfactory or outstanding. Reactions of managers from Heidelberg tended to be more positive than those of Stuttgart managers. Another issue addressed in the interviews was whether the EXPO system improved fund profitability. Only 39 percent of the managers at Heidelberg, in comparison with 63 percent at Stuttgart, felt that the EXPO system had a positive effect on profitability.

Summary. The most striking effects of the EXPO initiatives on NAF operations at the USAREUR sites were the decreased time in filling positions, increased managerial participation in recruitment, and increased dollar amount of cash awards. The distribution of performance ratings

Table 28

Supervisors' and Managers' Assessment of NAF EXPO Initiatives at USAREUR Sites

	Heidelberg			Stuttgart		
	O	S	U	O	S	U
Overall assessment of ...						
EXPO staffing initiative	13 (57%)	9 (39%)	1 (4%)	3 (15%)	16 (80%)	1 (5%)
EXPO classification/ pay banding	11 (46%)	11 (46%)	2 (8%)	6 (32%)	11 (57%)	2 (11%)
EXPO management-employee relations procedures	9 (39%)	13 (57%)	1 (4%)	4 (22%)	14 (78%)	0 (0%)
EXPO performance management system	8 (36%)	11 (50%)	3 (14%)	3 (16%)	15 (79%)	1 (5%)
EXPO performance, business, disciplinary actions	2 (20%)	7 (70%)	1 (10%)	4 (29%)	10 (71%)	0 (0%)

Notes. 1. NAF = Nonappropriated Fund.

2. EXPO = Experimental Civilian Personnel Office Project.

3. USAREUR = U.S. Army, Europe.

4. O = Outstanding, S = Satisfactory, U = Unsatisfactory.

remained skewed at the high end, however, and payroll costs appeared to be either unaffected or adversely affected to a slight degree. In general, supervisors and managers regarded the EXPO initiatives as satisfactory. The USAREUR reports did not contain information that would help to determine the effect of the NAF EXPO initiatives on profitability and degree of business success. This issue was addressed in the *Special Review of Civilian Personnel Management* (1990) (see Appendix E). This report suggested that EXPO may have led to increased costs, especially at Heidelberg. The authors noted, however, the difficulty of tying costs directly to EXPO and acknowledged possible alternative interpretations of the data. They also noted that the positive benefits of EXPO are difficult to quantify.

TRADOC

NAF Operational Indicators. The on-board strength for the two NAF EXPO sites, Ft. Eustis and Ft. Gordon, are depicted in Figure 6. On-board strength at Ft. Eustis declined in the test year. In contrast, on-board strength increased by 17.8 percent at Ft. Gordon. The percentage of the regular (permanent) work force remained stable over time (see Figure 7).

As shown in Figure 8, the EXPO initiatives did not adversely affect the composition of minorities and women in the work force. Results are presented by types of appointment under EXPO, "regular" and "associate." For purposes of comparison, the base year employment categories are grouped under the corresponding EXPO categories. There was an increase in minority and female employees in associate positions at Ft. Gordon and an increase in women in associate positions at Ft. Eustis.

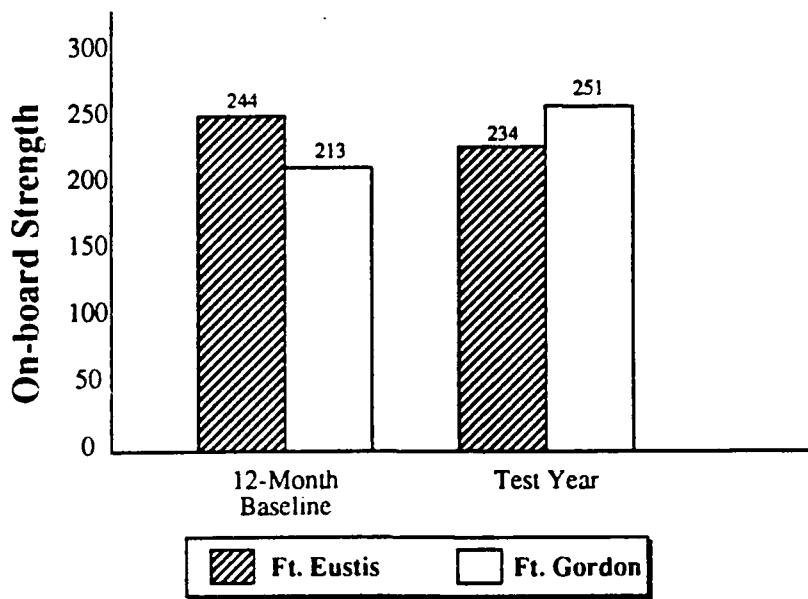


Figure 6. On-board strength of TRADOC sites.

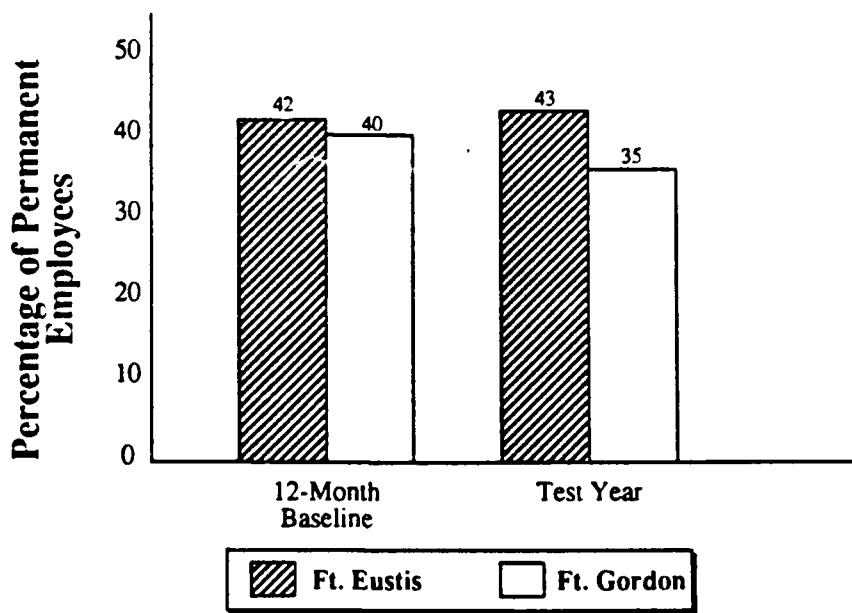


Figure 7. Percent of work force that is permanent at TRADOC sites.

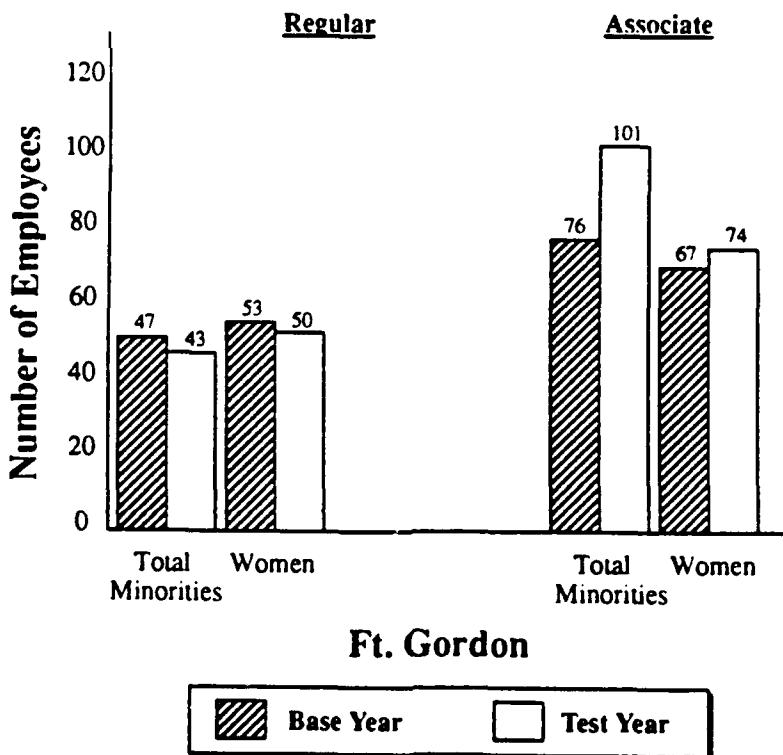
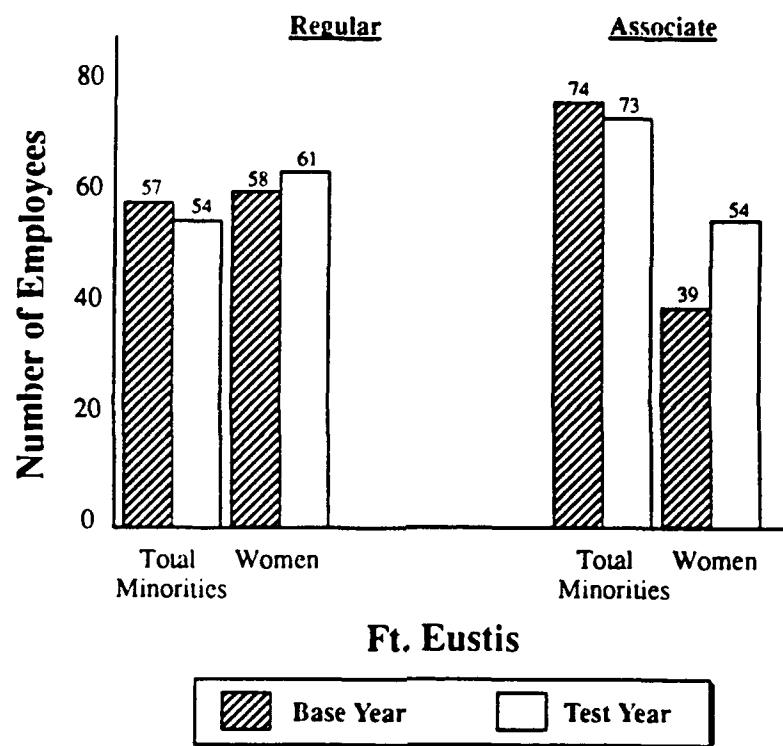


Figure 8. Number of minorities and women at TRADOC sites over the baseline and test year.

Figure 9 compares the average number of days required to fill jobs during the baseline period with that obtained for the EXPO test period. The time was cut significantly since the EXPO initiatives were introduced.

Figure 10 presents the average labor costs for employees under pay banding and in Crafts and Trades for the pre-EXPO baseline and for the EXPO test period. For Ft. Eustis, the average cost per man-hour was \$7.06 during the baseline period and \$7.08 for the test period, less than a one percent increase. The average labor cost per hour also increased at Ft. Gordon, from \$6.90 to \$7.00, a two percent increase.

Labor costs under pay banding were compared with labor costs that would have accrued under the old system. The average pay band man-hour costs shown in Table 29 differ from the "pay rate" index used in the Air Force data presented in Table 14. As the data represented in Table 29 indicate, the introduction of pay banding at Ft. Eustis resulted in lower payroll costs than would have resulted under the old system, whereas there was a minimal increase at Ft. Gordon.

In Table 30, actual payroll costs under the pay banding system are compared with "what if" payroll costs. Actual payroll costs are substantially lower than "what if" at Ft. Eustis (\$78,618 lower for the first year of the test). Ft. Gordon shows the reverse pattern, with somewhat higher costs for the first year (\$10,772 higher actual costs than "what if" costs).

The NAF EXPO system at the TRADOC sites emphasized the recognition of deserving employees through awards (Table 31). The number of awards was fairly evenly divided between pay increases and bonuses. The number of awards has increased since the introduction of the EXPO initiatives and the dollar amount has increased threefold. Both sites have developed local incentive programs to recognize employees' performance by awarding gift certificates, tickets to events, etc.; average monetary awards subsequently decreased.

The revenue sharing plan went into effect at the TRADOC sites in October 1989, and covered the entire fiscal year. The first distribution of revenue sharing funds was made in December 1990. At Ft. Eustis, 14 employees in five activities exceeded the prespecified margins of profit and received shares. At Ft. Gordon, 40 employees in two activities received revenue sharing funds. The revenue sharing test will run for one more year and provide further information as to its effectiveness.

Sick leave usage was monitored for participants in Project EXPO. Both sites reported substantial decreases in the use of sick leave. At Ft. Eustis, sick leave use decreased by 26 percent and at Ft. Gordon by 6 percent when comparing the baseline year with the first year of the test. These declines translated to savings of \$9,969 and \$1,883, respectively.

Figure 11 presents the turnover rates for regular and associate employees (and relevant groups in the base year) for the baseline and test periods. The turnover rate is substantially unchanged for the test period for regular employees at Ft. Gordon and decreases by 13 percent for regular employees at Ft. Eustis. For associate employees the Ft. Eustis figure shows an increase and the Ft. Gordon figure a decrease.

The distribution of performance ratings for Ft. Eustis and Ft. Gordon under the old and new systems is presented in Table 32. The old system was used during a 15-month period, which includes a 90-day period at the beginning of Project EXPO in which supervisors continued to rate employees under the old system and became accustomed to the new EXPO procedures. For the remaining 9 months of the first year of the test, beginning in October 1989, the new system was used. For both sites, the proportion of "Satisfactory" ratings increased substantially relative to higher ratings.

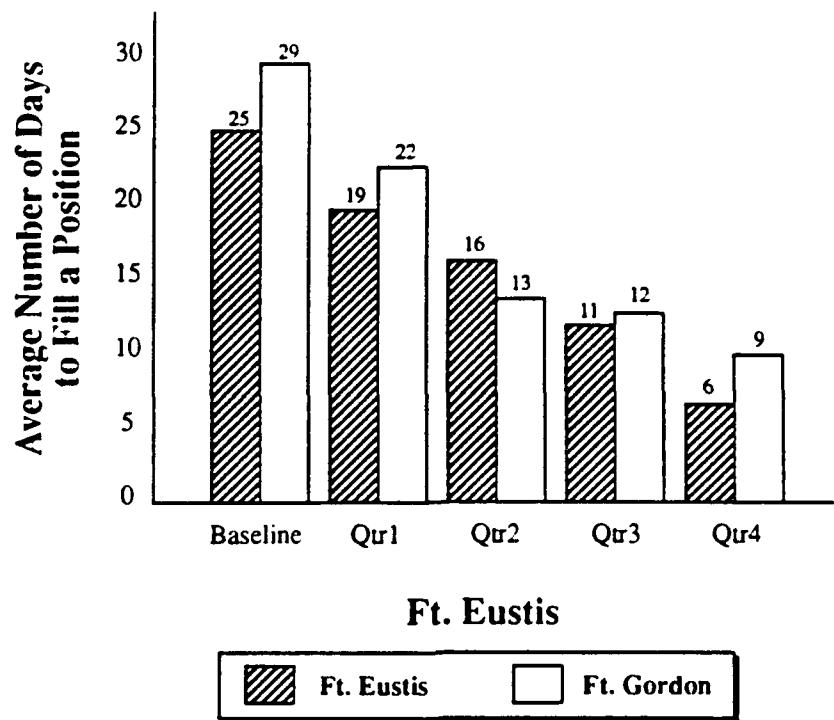


Figure 9. Time to fill positions at TRADOC sites.

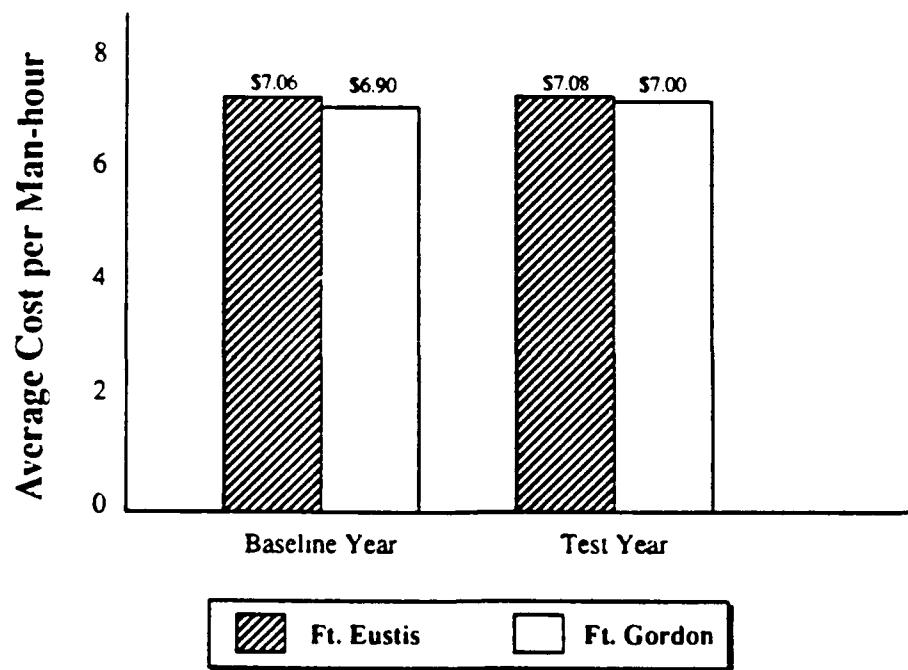


Figure 10. Costs per man-hour at TRADOC sites.

Table 29

Average Actual and "What If" Hourly Costs of Manpower Under Pay Banding at Army TRADOC Sites

Site	EXPO 1st Quarter		EXPO 2nd Quarter		EXPO 3rd Quarter		EXPO 4th Quarter		Cumulative	
	Actual	What if	Actual	What if						
Ft. Gordon	\$7.59	\$7.60	\$8.37	\$8.33	\$8.65	\$8.58	\$7.45	\$7.47	\$7.98	\$7.96
Ft. Eustis	7.36	7.29	8.10	8.21	7.83	8.76	8.27	8.56	7.89	8.20

Notes. 1. TRADOC = Training and Doctrine Command.

2. Hourly cost = Total payroll cost under pay banding/total pay band man-hours.

Table 30

Actual and "What If" Payroll Costs Under Pay Banding at Army TRADOC Sites

Site	EXPO 1st Quarter		EXPO 2nd Quarter		EXPO 3rd Quarter		EXPO 4th Quarter		Test Year Cumulative	
	Actual	What if	Actual	What if						
Ft. Gordon	\$194,944	\$195,267	\$242,535	\$235,276	\$197,479	\$194,669	\$262,383	\$261,357	\$897,341	\$886,569
Base Pay	2,236	2,247	2,949	2,876	2,904	2,955	4,124	4,158	12,213	12,236
Premium Pay	2,587	2,589	4,231	4,903	683	1,489	3,447	5,069	10,948	14,050
Ft. Eustis	170,927	169,715	174,409	174,423	146,983	151,039	147,788	223,548	640,107	718,725
Base Pay	2,675	2,699	2,748	2,745	2,729	2,764	3,013	3,645	11,165	11,853
Premium Pay	5,610	5,595	7,278	8,210	2,342	3,815	1,709	3,724	16,939	21,344

Notes. 1. TRADOC = Training and Doctrine Command.

2. Payroll costs are higher for the second and fourth quarters because they include an additional pay period.

Table 31
Performance Management Awards Given at Army TRADOC Sites

	Ft. Eustis		Ft. Gordon	
	12-Month Baseline	Test Year	12-Month Baseline	Test Year
Number of awards	14	48	26	34
Dollar amount	\$4,608	\$12,392	\$7,298	\$22,850
Average amount	\$329	\$258	\$281	\$672

Note. TRADOC = Training and Doctrine Command.

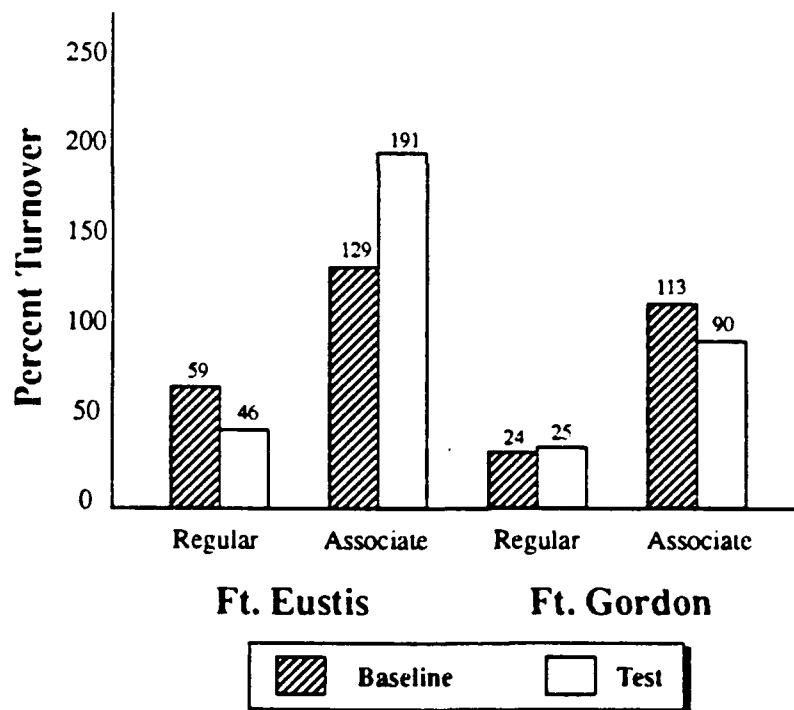


Figure 11. Turnover rates at TRADOC sites.

Table 32
Distribution of Performance Ratings at TRADOC Sites

Rating	Ft. Eustis		Ft. Gordon	
	15-Month	9-Month	15-Month	9-Month
Outstanding	18 (24%)	28 (44%)	25 (27%)	29 (56%)
Excellent	25 (33%)	--	46 (49%)	--
Satisfactory	33 (43%)	36 (56%)	22 (24%)	23 (44%)
Minimally Satisfactory	0 (0%)	--	0 (0%)	--
Unsatisfactory	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Total	76 (100%)	64 (100%)	93 (100%)	52 (100%)

Notes. 1. TRADOC = Training and Doctrine Command.

2. Dash indicates data not available.

Employees Assessment of EXPO. Supervisory and nonsupervisory employee attitudes toward the Project EXPO changes are summarized in Tables 33 and 34, respectively. These data deal with questions about their experience with the changes, the perceived consequences of the changes, and the preference for the new system over the previous system. As evident from Table 33, supervisors and managers at the two sites generally agree on most issues, and, overall, rate the changes as positive. Managers and supervisors at Ft. Gordon are slightly more receptive to pay banding than their counterparts at Ft. Eustis, whereas the reverse is true for the revenue sharing program. Positive discipline is seen as a good way to handle disciplinary actions and is considered to be fair and a stimulus for positive supervisor-employee relations. They favorably assessed pay banding, the awards system, employment categories, and performance evaluation. The revenue sharing program and the new grievance system received the least favorable responses.

Supervisory employees felt that activity operation, customer service, and employee quality, pay, and career development improved since EXPO. Overall, TRADOC managers and supervisors were either "very positive" or "positive" about the changes. Seventy-eight percent preferred the new system, and sixty-eight percent wanted to see the project continue to a "great" or to a "very great" extent.

Nonsupervisory employees were neutral to mildly positive in their responses (see Table 34). The highest ratings were given for the positive discipline and performance appraisal systems, and the new hiring procedures. When asked to compare various aspects of their work with those prior to the TRADOC initiatives, mean ratings fell around the midpoint of the scale, indicating that many aspects did not change (such as the way they were treated, the awards system, and their work schedule). Customer service improved the most, according to these employees; no change was seen for the other aspects. Their summary ratings of the project changes were neutral--there was no preference for the old or new system. Seventy-two percent of the respondents wanted to see the project continue, at least to some extent.

Table 33
Supervisory Responses to EXPO Questions at TRADOC Sites

Item	Ft. Eustis	Ft. Gordon	Overall
EXPO Hiring Procedures . . .			
Are easy to carry out	3.9	3.6	3.7
Result in fair selection of candidates	3.7	3.2	3.4
Involve more work	2.5	3.4	2.9
Increase the possibility of problems (e.g., EEO complaints, grievances)	2.2	2.3	2.2
EXPO Positive Discipline . . .			
Is effective	4.1	4.3	4.2
Is a good way to handle disciplinary actions	4.3	4.2	4.2
Is fair	4.4	4.2	4.3
Encourages positive relationships between supervisors and employees	3.9	4.0	3.9
EXPO Pay Banding . . .			
Is a good idea	3.8	4.3	4.0
Is fair	3.3	4.0	3.6
Permits greater control over the budget	3.8	4.3	3.9
Makes recruitment easier	3.6	4.2	3.9
Permits greater flexibility in managing NAF activities	3.8	4.2	4.0
Makes it easier to adjust employees' salaries to their performance	4.2	4.3	4.2
EXPO Awards System . . .			
Is beneficial to productivity	3.9	4.1	4.0
Is beneficial to morale	4.0	4.0	4.0
Is an effective way of recognizing good performance	4.1	4.1	4.1
EXPO System of Employment Categories . . .			
Simplifies personnel management	3.9	4.3	4.1
Makes record keeping simpler	3.6	4.0	3.8
Permits greater flexibility in managing your activity	4.0	4.2	4.1
Permits greater flexibility in scheduling	3.7	4.2	3.9

Notes. 1. EXPO = Experimental Civilian Personnel Office Project.
 2. TRADOC = Training and Doctrine Command.
 3. Responses are based on a 5-point scale: 1, "Strongly Disagree"; 3, "Neither Agree nor Disagree"; 5, "Strongly Agree."

Table 33. (Continued)

Item	Ft. Eustis	Ft. Gordon	Overall
The New Grievance System For Non-bargaining			
Unit Employees . . .			
Is understood by non-bargaining unit employees	3.3	2.9	3.1
Is easy to use	3.5	3.7	3.6
Resolves complaints in a timely manner	3.3	3.4	3.3
Is fair	3.5	3.6	3.5
The Revenue Sharing Program . . .			
Is beneficial to productivity	3.9	3.1	3.5
Is beneficial to morale	3.9	3.1	3.5
Helps retain employees	3.3	3.2	3.2
Is fair to all	3.6	2.9	3.2
The New Performance Evaluation System . . .			
Helps employees understand what is expected of them	3.9	4.1	4.0
Allows for an accurate assessment of employees' performance	3.8	4.0	3.9
Improves communication between supervisors and their employees	4.0	4.0	4.0
Is understood by employees	3.9	3.8	3.8
Recognizes outstanding performance	4.0	4.0	4.0
Effect of EXPO . . .^a			
Meeting goals and objectives	5.2	4.6	4.9
Hiring people	5.2	5.2	5.2
Time to fill vacancies	5.3	5.3	5.3
Promoting people	5.2	4.6	4.9
Recognizing good performance	5.4	5.1	5.2
Your flexibility in managing your activity	5.1	5.2	5.1
Getting the right employees for the job	4.9	4.6	4.7
Ability to create an environment in which subordinates work effectively	5.1	4.9	5.0
Ability to plan, direct, and evaluate your work	5.2	4.8	5.0
Reducing regulatory constraints	4.9	4.7	4.8
Linking pay to performance	5.1	4.8	4.9
Comparison with the system <u>before</u> EXPO . . .^b			
The way your activity operates is	3.7	4.2	3.9
Customer service is	3.8	4.4	4.1
The quality of employees is	3.6	3.9	3.7
Your pay is	2.9	4.2	3.5
Your career development is	3.0	4.0	3.5

^aResponses are based on a 7-point scale: 1, "Very Negative Effect"; 4, "No Effect"; 7, "Very Positive Effect."

^bResponses are based on a 5-point scale: 1, "Much Worse"; 3, "The Same"; 5, "Much Better."

Table 33. (Continued)

Item	Percentage Responding		
	Ft. Eustis	Ft. Gordon	Overall
General Feelings About Project Changes			
(Mean is 4.0)			
Very positive	36	50	43
Positive	43	20	31
Neither positive nor negative	7	20	13
Negative	7	0	7
Very negative	7	10	8
Preference for Old or New System			
(Mean is 4.2)			
Definitely prefer new	57	60	58
Prefer new	21	20	20
Neither	--	10	5
Prefer old	14	0	7
Definitely prefer old	7	10	8
Like to See Project Continue (Mean is 4.2)			
To a very great extent	43	50	51
To a great extent	14	20	17
To some extent	36	10	23
Not at all	7	10	8

Table 34

Nonsupervisory Responses to EXPO Questions at TRADOC Sites

Item	Ft. Eustis	Ft. Gordon	Overall
EXPO Hiring Procedures . . .			
Make it easy to apply for jobs	3.6	3.5	3.6
Get people hired fast	3.2	3.0	3.1
Are fair to applicants	3.5	3.3	3.4
EXPO Positive Discipline . . .			
Is an effective way to deal with disciplinary problems	3.6	3.5	3.6
Is fair	3.5	3.6	3.6
Encourages positive relationships between supervisors and employees	3.7	3.8	3.7
EXPO Pay Banding . . .			
Is a good idea	3.3	2.9	3.1
Makes it easier for your supervisor to pay you according to performance	3.2	3.1	3.2
Makes jobs more desirable to you	3.4	3.1	3.2
EXPO Awards System . . .			
Makes employees here more productive	3.4	3.1	3.2
Improves morale	3.3	3.1	3.2
Is an effective way of recognizing good performance	3.6	3.3	3.4
EXPO Revenue Sharing Program . . .			
Makes employees here more productive	3.4	3.1	3.2
Improves morale	3.3	3.1	3.2
Helps retain employees	3.2	3.0	3.1
Is fair to all	3.0	3.1	3.1
EXPO Performance Evaluation System . . .			
Helps you understand what is expected of you	3.8	3.4	3.6
Allows for an accurate assessment of your performance	3.8	3.4	3.6
Improves communication between you and your supervisor	3.7	3.3	3.5
Is clearly understood	3.6	3.0	3.3
Recognizes outstanding performance	3.7	3.1	3.4
Ability to plan, direct, and evaluate your work	5.2	4.8	5.0
Reducing regulatory constraints	4.9	4.7	4.8
Linking pay to performance	5.1	4.8	4.9

Notes. 1. EXPO = Experimental Civilian Personnel Office Project.

2. TRADOC = Training and Doctrine Command.

3. Responses are based on a 5-point scale: 1, "Strongly Disagree"; 3, "Neither Agree nor Disagree"; 5, "Strongly Agree."

Table 34. (Continued)

Item	Ft. Eustis	Ft. Gordon	Overall
In Comparison With the System Before EXPO . . .*			
The way you are treated	3.2	3.0	3.1
The way your activity operates	3.0	3.3	3.2
Customer service is	3.4	3.7	3.6
The awards system	3.0	2.8	2.9
The quality of employees	3.0	3.1	3.1
Your work schedule	3.2	3.2	3.2
Your pay is	3.0	3.1	3.1
The training you receive	3.3	3.3	3.3
Percentage Responding			
Item	Ft. Eustis	Ft. Gordon	Overall
General Feelings About Project Changes (Mean 3.1)			
Very positive	12	5	7
Positive	20	32	26
Neither positive nor negative	32	41	37
Negative	28	11	19
Very negative	8	11	9
Preference for Old or New System (Mean is 3.0)			
Definitely prefer new	12	16	14
Prefer new	24	24	24
Neither	24	22	23
Prefer old	20	16	18
Definitely prefer old	20	22	21
Like to See Project Continue (Mean is 3.2)			
To a very great extent	17	18	17
To a great extent	13	30	22
To some extent	43	24	33
To a small extent	9	3	6
Not at all	17	24	21

*Responses are based on a 5-point scale: 1, "Much Worse"; 3, "The Same"; 5, "Much Better."

Profitability Data. According to the information provided in the first year evaluation report of the TRADOC NAF Personnel Management Enhancement Test (July 1989-June 1990), the profitability of revenue-generating activities initiatives was mixed. To assess the financial impact of Project EXPO, baseline monetary values were adjusted and comparisons were made in constant dollars. At Ft. Eustis, overall revenue for the test year decreased four percent from the baseline year; the decrease was limited to the first half of the year. An increase in revenue over the baseline year was obtained in the second half of the test year. Overall, expenses for this period remained essentially the same as the baseline year, showing a decrease of .01 percent in constant dollars. This finding is relevant in view of the fact that appropriated fund support for NAF activities was reduced. Overall net income decreased at Ft. Eustis eight percent, from the \$215,574 net profit realized in the baseline year. This decrease occurred during the first 6 months of the test (a decrease of 117%). The second half of the test year showed an increase in net profit of 78 percent over the baseline year.

At Ft. Gordon, the overall revenue for the test year increased 5.5 percent, and overall expenses increased 5 percent from the baseline year. Overall, net income increased 6 percent over the net income of \$169,674 in constant dollars that was generated in the baseline year.

Factors other than personnel policies affect NAF business and profitability, for example, the Military Child Care Act of 1989. At the same time that the new law went into effect, APF support was reduced, requiring that NAF activities absorb increased costs. Within this context, EXPO initiatives do not appear to have had a negative impact on business operations, and, most probably, are having a positive impact on profitability. Appendix J presents financial information for selected revenue-generating activities at both TRADOC sites.

Interview Data. The results of on-site interviews with managers and supervisors concerning the EXPO initiatives are presented here to augment the questionnaire and operations results.

Ft. Eustis. The Director for Personnel and Community Activities (DPCA), the Assistant Director for Community and Family Activities (ADCFA), and the NAGE President evaluated the changes positively. They reported that the work environment had improved and a new management style had emerged, one that was more open and communicative. They felt that the timing of the initiatives was good because of the need to improve business operations in response to budget cuts.

Managers and supervisors supported the revenue sharing initiative. They felt that it enhanced creativity, efficiency, and the management of resources. They expected revenue sharing to have a positive effect on performance of NAF activities. They also favored changes to the discipline system. The new approach was characterized as less negative and punitive. Managers claimed that discipline was carried out in a more "team-like" fashion. The adversarial nature of discipline had been attenuated somewhat. Employees take on more personal responsibility for solving such problems and are more likely to help other employees who are experiencing difficulties. Managers also expressed satisfaction with the new "employee categories," which, they felt, greatly increased flexibility in scheduling employees and decrease turnover. The awards initiative was also regarded positively because it provided a simplified, concrete and timely approach to giving recognition to deserving employees. They felt the use of a "contract" between them and their subordinates to guide behavior had been successful. They were less pleased with the performance evaluation initiative. They felt that there was a large gap between the "satisfactory" and "outstanding" categories (i.e., a sizable segment of the work force does not qualify for "outstanding," but is better than "satisfactory").

One major complaint was that a large number of employees (i.e., Crafts and Trades) are not eligible for pay banding, which may cause morale problems in the future. Supervisors favored pay banding, but they felt the full range of the pay band, notably the upper end, could not be exploited because of budget cuts. Supervisors were also receptive to the revenue sharing initiatives, but they expressed concern that the actual distribution of shares was too far into the future to have a real impact on employees' performance. They felt that revenue shares, if available, should be distributed to employees more often than annually. The high turnover rate among NAF employees would also suggest the wisdom of more frequent payouts to reward those employees who had completed the work.

Several organizational factors had a significant bearing on the activities' ability to generate a profit. One is the cut in the appropriated NAF account, which helped pay for such costs as utilities. The other is the enactment in November 1989 of the Military Child Care Act and the establishment of the Civilian Personnel Pilot Program for Child Care Operations, which made operating the facilities more costly. Finally, if the initiatives are to have their fullest impact, CT employees must be included under the EXPO initiatives.

Ft. Gordon. The DPCA, ADCFA, division chiefs, managers, and supervisors expressed strong support for the Project EXPO changes. Managers felt that they have more flexibility and control over their operations without an increase in workload. The awards program was perceived to be less restrictive, more flexible. Awards are now distributed to employees throughout the year instead of once a year. The positive approach to discipline received high praise. Managers and supervisors felt that they have better control and that it is easier to discipline under this new, less punitive system. Managers and supervisors were least receptive to the modified performance evaluation format, finding the number of categories inadequate. They also reported some difficulties in developing and using performance contracts with their subordinates (e.g., achieving consistency among contracts).

Several other issues were raised concerning the changes. With respect to revenue sharing, managers believed that rates for service, which are controlled by the command, may be set too low, resulting in very little revenue to be shared. Also, they recommended that the distribution of profits occur more frequently than once a year if they are to have a positive impact on employees. The DPCA and ADCFA feel a 12-month distribution period is appropriate because it reflects a full economic cycle, evening out the effect of seasonal variations.

Interviewees agreed with those from other sites that the major problem is the fact that not all employees are covered by the EXPO changes. Entire divisions are not included in the test; in some divisions, CT employees are included in all aspects of the test except pay banding; in some extreme cases, CT employees determine, in great part, the success of the activity, but do not benefit from the pay-related initiatives.

Two additional factors are affecting the NAF EXPO test at Ft. Gordon. First, APF support for NAF activities lessened during the test period, requiring that more be done with NAF funds. Second, the Military Child Care Act and resulting pay modifications are straining the NAF budget.

Summary. The NAF EXPO initiatives at the Army TRADOC sites have benefited NAF operations after one year of the 2-year test. Among the benefits are a reduction in the average number of days to fill positions, decreased sick leave use, increases in the number and dollar amount of awards given to top employees, and a favorable response to the positive discipline system by managers and employees. Labor costs have remained relatively stable during the test and no adverse effects on business revenues have occurred. The gain-sharing effort has resulted in one payout, and will continue to be monitored for a second year. Overall, supervisory and nonsupervisory employees are positive about the EXPO initiatives, with managers and supervisors viewing it as easier and more flexible than the old system.

Navy

NAF Operational Indicators

Table 35 presents figures for the on-board strength for the five Navy sites. There has been no significant increase or decrease in work force strength since the EXPO changes were implemented. The time periods for the sites varied; the exact periods are reported in Appendix K. Appendix L provides information on Navy NAF operational indicators.

Table 35

Total MWR Employees at Navy Sites

Site	EXPO		
	Baseline	Time 1	Time 2
Naval Air Station, Alameda, CA	263	245	242
Naval Station, San Diego, CA	681	633	646
Naval Training Station, San Diego, CA	444	457	463
Naval Submarine Base, New London, Groton, CT	317	329	367
Naval Station, Rota, Spain	166	162	--

- Notes. 1. MWR = Morale, Welfare, and Recreation.
2. EXPO = Experimental Civilian Personnel Office Project.
3. Dash indicates data not available.

The EXPO initiatives did not appear to affect labor costs at the various sites in the same way (Table 36). New London and Naval Training Station, San Diego, showed an increase in average gross payroll; the other three sites reported a decrease.

Table 37 reports on the proportion of total payroll expended on regular payroll that was paid at the employees' base rate of pay without differentials. For the four sites providing this information, there were increases under EXPO. This means that more work hours are obtained at the lower regular pay rate than at the higher rate that includes premium and overtime pay.

The total dollar amount of cash awards was expected to increase with the introduction of the EXPO initiatives. As can be seen in Table 38, there has been an increase in the amount of money awarded since the baseline period for all sites except NTS San Diego.

Figure 12 presents the turnover rates of pay-banded employees (formerly UA, AS, and PS) for the baseline and test periods. For the majority of sites, turnover was lower during test periods. Similar findings were obtained for CT employees (Figure 13.)

The introduction of the EXPO initiatives did not have a consistent effect on performance ratings at the five sites. Table 39 presents the distribution of ratings for the baseline and test periods. At Alameda and Rota, "Satisfactory" ratings increased proportionately during the EXPO test; at New London and NS San Diego, the distributions remained fairly stable; at NTS San Diego, the number of ratings above "Satisfactory" increased from 52 percent to 78 percent. The initiatives did not serve to restrict in a consistent fashion the number of high performance ratings at the Navy sites; rather, patterns varied from site to site.

Table 36
Average Gross Payroll per Pay Period at Navy Sites

Site	EXPO		
	Baseline	Time 1	Time 2
Naval Air Station, Alameda, CA	\$99,405	\$93,000	\$92,205
Naval Station, San Diego, CA	295,881	286,989	295,589
Naval Training Station, San Diego, CA	148,102	153,214	150,070
Naval Submarine Base, New London, Groton, CT	120,095	123,290	123,910
Naval Station, Rota, Spain	70,449	67,158	--

Notes. 1. EXPO = Experimental Civilian Personnel Office Project.
 2. Dash indicates data not available.

Table 37
Proportion of Total Payroll Expended on Regular Payroll at Navy Sites (%)

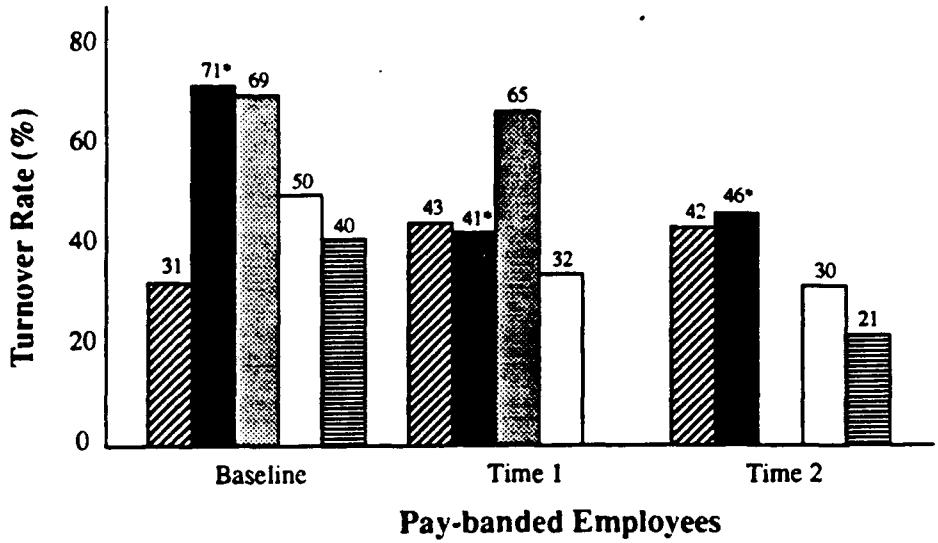
Site	EXPO		
	Baseline	Time 1	Time 2
Naval Air Station, Alameda, CA	70	72	72
Naval Station, San Diego, CA	76	80	80
Naval Training Station, San Diego, CA	85	--	88
Naval Submarine Base, New London, Groton, CT	72	91	89
Naval Station, Rota, Spain	--	--	--

Notes. 1. EXPO = Experimental Civilian Personnel Office Project.
 2. Dash indicates data not available.

Table 38
Dollar Amount of Awards Given at Navy Sites

Site	EXPO		
	Baseline	Time 1	Time 2
Naval Air Station, Alameda, CA	\$5,344	\$12,510	\$19,423
Naval Station, San Diego, CA	3,608	--	7,050
Naval Training Station, San Diego, CA	13,325	10,925	2,600
Naval Submarine Base, New London, Groton, CT	3,608	14,225	13,425
Naval Station, Rota, Spain	5,870	10,765	--

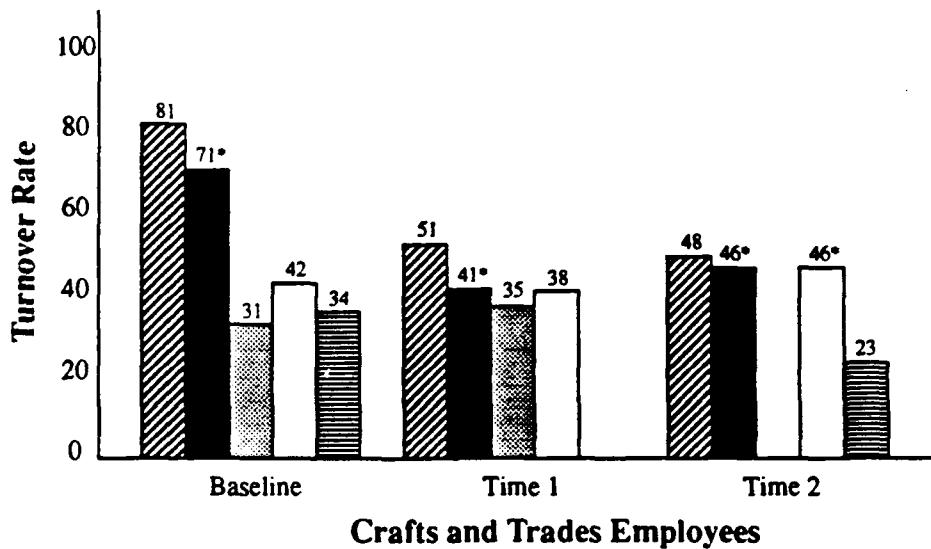
Notes. 1. EXPO = Experimental Civilian Personnel Office Project.
 2. Dash indicates data not available.



* Includes both pay-banded and Crafts and Trades employees.



Figure 12. Turnover rates at Navy sites.



* Includes both pay-banded and Crafts and Trades employees.



Figure 13. Turnover rates for Crafts and Trades employees at Navy sites.

Table 39

**Distribution of Performance Ratings for Navy Sites
(%)**

Rating	Alameda			Naval Station, San Diego			Naval Training Station, San Diego			New London			Rota		
	Baseline Time 1		Time 2	Baseline Time 1		Time 2	Baseline Time 1		Time 2	Baseline Time 1		Time 2	Baseline		Time 1
Outstanding	12	13	9	11	12	13	20	24	34	14	27	28	33	15	--
Highly Satisfactory	23	25	21	41	43	46	32	43	44	59	37	45	50	49	--
Satisfactory	65	62	70	47	45	40	47	31	21	27	39	26	17	35	--
Less than Satisfactory	0	0	0	1	2	1	1	2	1	0	1	2	0	1	--
Number Rated	--	--	--	--	--	--	--	55	21	46	96	56	48	156	--

Note. Dash indicates data not available.

Employee Assessment of EXPO

Attitudinal data were available from four sites in 1990 (see Table 40). The first set of means, presented in Table 40, pertains to the degree to which managers and supervisors agree with statements describing the impact of the EXPO initiatives on their organizations. Overall, managers and supervisors agree moderately with the statements. They agree most strongly that monetary awards will improve performance, that EXPO has increased management flexibility and made it possible to fill vacancies faster, and that pay banding has made it easier to adjust employees' salaries to fit performance.

Table 41 reports estimates of supervisory personnel concerning the success of EXPO initiatives. Respondents indicated that the efficiency of personnel management is improved, but the majority reported that personnel costs, turnover, and workload have all increased since the introduction of EXPO.

Employees' and supervisors' perceptions of the effect of the EXPO initiatives on the work setting are summarized in Table 42. As can be seen, respondents felt a number of areas improved under EXPO, particularly customer service, employee performance, and the quality of employees (with the exception of Alameda nonsupervisory employees). Overall, respondents felt "protection against being fired" had worsened under EXPO to a slight degree, and nonsupervisory employees felt morale had declined.

Managers and supervisors compared the personnel operations under EXPO with those under the old system (Table 43). Responses were slightly positive, with respondents indicating some improvement over the old system. Employees and supervisors also indicated their general feelings about the project changes (see Table 44). Responses were neutral to somewhat positive. At three of the four sites, supervisors were more positive than nonsupervisory employees. NS Rota respondents were more positive overall than those at the other sites. Overall respondents from the four sites indicated they would like to see the new system continue at least to some extent.

Profitability Data

The five Navy participants in Project EXPO did not provide data concerning the profitability of their activities.

Interview Data

Because the Navy sites entered Project EXPO after the other sites and only participated in the project for one year, NPRDC interviewers conducted only one set of interviews at three Navy sites. The results of those interviews are summarized in the Implementation section. Those comments concerned with assessment of the EXPO initiatives are repeated here.

Naval Station, San Diego, CA. Interviews were conducted in January 1991. The MWR Director and NAF Personnel Director were positive about the benefits of the project. EXPO enabled them to attract and retain good employees, providing incentives to good employees and changing problem behavior in employees who were not performing satisfactorily. The turnover in many positions was reduced, and they felt managers had a new degree of flexibility under EXPO.

Table 40

Supervisors' and Managers' Assessment of the Effect of EXPO Changes on Personnel Management at Four Navy Sites

Item	Naval Training				Overall/ Confidence Interval (n = 88)
	Alameda (n = 13)	Naval Station, San Diego (n = 39)	Station, San Diego (n = 21)	Rota (n = 15)	
Pay banding allows for the recruitment of employees that are more highly qualified.	5.1	4.8	4.4	4.7	4.7 ± .69
Pay banding makes it easier to adjust employees' salaries to fit their performance.	4.8	5.3	5.1	5.0	5.1 ± .50
Monetary awards will improve employee performance.	5.5	5.8	6.0	5.7	5.8 ± .50
Project EXPO has increased management flexibility.	4.8	5.5	5.3	4.8	5.2 ± .31
Project EXPO has made it possible to fill vacancies faster.	4.6	4.7	4.2	4.7	4.6 ± .21
Project EXPO makes recruitment easier.	4.6	4.6	4.0	4.9	4.5 ± .91
Project EXPO increases your workload.	4.5	4.2	4.4	3.7	4.2 ± .85
Project EXPO makes it easier to get the right employee for the job.	4.7	4.7	4.2	4.7	4.6 ± .60

Notes. 1. EXPO = Experimental Civilian Personnel Office Project.

2. Responses are based on a 7-point scale: 1, "Strongly Disagree"; 4, "Neither Agree nor Disagree"; 7, "Strongly Agree."

Table 41
Supervisors' and Managers' Assessment of the Success of EXPO Initiatives
at Four Navy Sites

	Alameda (n = 11)	Naval Station, San Diego (n = 33)	Naval Training Station, San Diego (n = 20)	Rota (n = 13)	Overall/ Confidence Interval (n = 77)
Since the Introduction of Project EXPO,					
Personnel costs are . . .	4.3	4.0	4.6	3.8	4.2 ± .95
Efficiency of managing personnel is . . .	4.9	4.6	4.7	4.5	4.6 ± .47
Workload for managers and supervisors is . . .	5.1	4.6	5.2	4.5	4.8 ± .95
Turnover is . . .	4.5	4.1	4.3	3.6	4.1 ± 1.05

Notes. 1. EXPO = Experimental Civilian Personnel Office Project.
 2. Responses are based on a 7-point scale: 1, "Much Lower"; 4, "About the Same"; 7, "Much Higher."
 3. On all except the second item, lower scores are more positive.

Table 42

**Employees' and Supervisors' Assessment of the Effect of EXPO Changes
on the Work Setting at Four Navy Sites**

	Alameda:		Naval Station		Naval Training Station		Rota		Overall Confidence Intervals (n = 246)	
	Employees (n = 5)	Supervisors (n = 13)	San Diego		San Diego		Employees Supervisors (n = 45)			
			Employees (n = 34)	Supervisors (n = 49)	Employees (n = 55)	Supervisors (n = 27)	Employees (n = 45)	Supervisors (n = 18)		
As a Result of Project EXPO,										
The way you are treated is . . .	3.4	3.8	4.3	4.4	4.0	4.5	4.0	3.9	4.2 ± .78	
The way your activity operates is . . .	4.0	4.6	4.5	4.6	4.1	4.5	4.1	4.3	4.3 ± .54	
Customer service is . . .	3.8	4.6	4.5	4.8	4.6	4.9	4.3	4.7	4.6 ± .75	
The awards system is . . .	3.8	3.6	4.3	4.6	4.1	4.5	3.1	3.8	4.1 ± .14	
Job security is . . .	3.4	4.0	4.2	4.2	4.2	4.1	4.1	4.4	4.2 ± .65	
Protection against being fired is . . .	2.8	3.6	4.3	4.1	3.9	3.7	4.0	4.2	4.0 ± 1.03	
The quality of employees is . . .	3.2	4.5	4.3	4.5	4.5	4.1	4.0	4.8	4.3 ± 1.09	
Your work schedule is . . .	3.4	4.1	4.4	4.2	4.4	4.3	4.0	4.3	4.2 ± 1.05	
Your benefits are . . .	3.4	4.2	4.3	4.4	3.9	4.1	4.0	4.1	4.1 ± 1.26	
The amount of money you make (base pay and awards) is . . .	4.2	3.9	4.0	4.8	3.9	4.4	4.0	3.8	4.2 ± .72	
Morale is . . .	3.2	4.1	4.2	4.4	4.0	4.0	3.6	4.0	4.0 ± .83	
Employee performance is . . .	4.0	4.5	4.4	4.6	4.6	4.3	4.0	4.6	4.4 ± .56	

Notes. 1. EXPO = Experimental Civilian Personnel Office Project.

2. Responses are based on a 7-point scale: 1, "Much Worse"; 4, "About the Same"; 7, "Much Better."

Table 43
**Supervisors' and Managers' Assessment of Project EXPO in
 Comparison With the Previous System**

	Alameda (n = 12)	Naval Station, San Diego (n = 37)	Naval Training Station, San Diego (n = 21)	Rota (n = 21)	Overall/ Confidence Interval (n = 84)
In comparison with the previous system under Project EXPO,					
Business-based personnel actions are . . .	4.5	4.8	4.6	4.1	4.6 + .81
The grievance system is . . .	4.3	4.3	4.4	4.2	4.3 + .22
Staffing procedures are . . .	4.3	4.7	4.6	4.6	4.6 + .48
Performance appraisal is . . .	4.6	4.8	4.8	4.6	4.8 + .32
The discipline system is . . .	4.6	4.8	4.7	4.4	4.7 + .48

Notes. 1. EXPO = Experimental Civilian Personnel Office Project.

2. Responses are based on a 7-point scale: 1, "Much Worse"; 4, "About the Same"; 7, "Much Better."

Table 44

Employees' and Supervisors' Attitudes Toward EXPo Changes at Four Navy Sites

	Alameda		Naval Station San Diego		Naval Training Station		Rota		Overall Confidence Intervals (n = 294)	
	Employees (n = 5)		Employees (n = 42)		Employees (n = 50)		Employees (n = 62)			
	Supervisors (n = 15)	Supervisors (n = 5)	Supervisors (n = 50)	Supervisors (n = 67)	Supervisors (n = 31)	Supervisors (n = 62)	Employees (n = 22)	Supervisors (n = 22)		
General feelings about project changes ^a	2.8	3.4	3.1	3.3	3.0	3.0	3.1	3.6	3.2 ± .57	
Preferences for old or new system ^b	2.8	3.4	2.9	3.6	3.1	2.9	3.4	4.2	3.3 ± 1.04	
Like to see project continue ^c	2.2	3.4	3.1	3.6	2.7	2.8	3.4	4.1	3.2 ± 1.29	

Note. EXPo = Experimental Civilian Personnel Office Project.

^aResponses are based on a 5-point scale: 1, "Very Negative"; 3, "Neither Positive nor Negative"; 5, "Very Positive."^bResponses are based on a 5-point scale: 1, "Definitely Prefer Old"; 3, "Neither"; 5, "Definitely Prefer New."^cResponses are based on a 5-point scale: 1, "Not at All"; 3, "To Some Extent"; 5, "To a Very Great Extent."

Managers and supervisors prefer the new system over the old and appreciate the opportunity to communicate better with employees about their performance. They expressed concerns that long-term employees were resisting the pay-for-performance concept and that there was not a standardization of pay rates across Navy sites. They felt additional training should be offered.

Nonsupervisory employees felt EXPO was a good system, but that it was not optimally operating due to pay caps established at the site. They reported some loss of pay due to changes in awarding overtime and differentials. They also expressed concerns that turnover had not decreased and that pay for performance had not yet removed all mediocre performers and rewarded all good employees.

Naval Training Station, San Diego, CA. Interviews took place in March 1990. Managers supported the concept of pay banding because it enabled them to compete with the local economy in hiring people. They also felt that performance standards were clearer and that disciplinary actions could be taken faster and more efficiently under EXPO. They felt that the EXPO pay initiatives should be extended to the CT employees, placing all employees under one system.

The NAF personnelists were in favor of the initiatives, in spite of the fact that their workload increased. Interviewees were also concerned about the issue of fairness under EXPO, both with respect to discrepancies between CT pay and that of pay-banded employees and pay among pay-banded workers employed for differing periods of time.

Naval Submarine Base, New London, Groton, CT. Managers and supervisors were interviewed in September 1990. They strongly endorsed the EXPO initiatives. Pay banding allowed them to compete within a very strong local economy. Further, the link established between performance and pay allowed them to motivate, reward, and retain the best employees. They wanted to see CT employees included in pay banding.

Nonsupervisory employees were also very positive about the initiatives. They appreciated the fact that their good performance could lead to better pay at any time in contrast to the old system in which everyone, regardless of performance, was paid equally. Nonsupervisory employees reported that their initial fears of widespread unfairness under the EXPO system have not been confirmed; however, they stressed the fact that the *potential* for unfairness in the EXPO system makes it essential that managers be impartial and capable leaders. The NAF personnelists were also very supportive of the initiatives.

Naval Station, Rota, Spain. NPRDC researchers conducted interviews at Rota in October 1990. Managers and supervisors reported that the concepts behind the EXPO initiatives are sound, however, their implementation at Rota was difficult because of local conditions. First, the generally low skill level of applicants restricted their ability to benefit from the flexibilities in pay banding (e.g., setting entry pay levels at higher rates for experienced candidates). Also, the use of a very flexible system like EXPO in which managers are given wide discretion in setting pay and giving awards was difficult for local managers, particularly those accustomed to a very rigid system of personnel management set up for Spanish employees. The EXPO initiatives opened the way to wide variation in the way different managers use the system. Consequently, NAF management was working to develop a local system for EXPO to ensure fairness while retaining flexibility.

General Summary of the Project EXPO Test

In the Method section, a model consisting of five broad categories was proposed to guide the assessment of Project EXPO (Figure 2). The discussion below presents a general summary of the findings obtained from the evaluation of the Project EXPO test within the context of the proposed model.

Context

Several characteristics of the local setting or context were examined, primarily by means of interviews during site visits, to determine if these influenced the level of implementation and operation of the changes. Among the characteristics studied were: the role of the MWR Chief and NAF personnelists, union involvement, the nature of the local economy, and the location of the site and rules or guidelines specific to those sites (e.g., Continental U.S. sites vs. Europe).

The successful implementation of the EXPO initiatives required the involvement of the MWR Chief and NAF personnelists for the purpose of designing the initiatives to meet the needs of each site. The perspective, breadth of knowledge, and authority of the MWR Chief as well as the technical knowledge of personnel management provided by the personnelist(s) were important inputs. In on-site interviews, supervisory and nonsupervisory personnel emphasized the importance of a strong MWR Chief to promote and support the changes. At sites where the Chief did not show strong support for the changes and did not clearly express an organizational philosophy supportive of the changes, participants reported more difficulty with implementing and using the initiatives. Similarly, the NAF personnelists' ability to provide advice as to the best way to enact the initiatives at each site and to provide continuing explanations to employees about the initiatives also influenced the success of the implementation. Sites reported fewer problems with implementation where the NAF personnelists were key figures in the implementation of the initiatives and where they strived to help employees understand the changes.

Differences in the strength and nature of the relationship between union and management and the union's response to the EXPO initiatives affected the timing and ease with which the changes were implemented. For example, the union opposition to the NAF EXPO proposals was so strong at Fairchild Air Force Base, originally selected as an Air Force participant, that this site was withdrawn from the Project. At Davis-Monthan, union resistance sharply limited the number of employees under EXPO for the first year of the test. In contrast, the strong involvement of the union at the onset and throughout the test period at Ft. Eustis helped to facilitate the implementation efforts.

The local economy also has had an important influence in the way the proposed changes operate at a specific site. For example, where there is a strong local economy, a higher rate within pay bands is called for to attract and retain employees.¹ Where local economic conditions are weaker (e.g., Minot Air Force Base), it is possible to set pay at lower rates, pay fewer premiums, and still attract employees to NAF activities.

Finally, European sites differed from sites in the Continental U.S. in their implementation and operation--European sites have no unions, they are affected by the monetary exchange rate, and further affected by a labor pool that includes local nationals and those with spouse preference.

¹Where local jobs are comparable to those in NAF activities but offer a relatively higher rate of pay and where the labor pool is insufficient, such as a Patrick Air Force Base and the Naval Submarine Base, New London.

"Context" for nine EXPO sites was also assessed by means of organizational climate measures. These sites included four of the eight Air Force sites, the two experimental USAREUR sites, the one USAREUR control site, and the two TRADOC sites. Respondents at these sites generally gave high ratings to their organizations in terms of "climate characteristics" (see Appendix M). Characteristics included such dimensions as "organizational vitality" and "human resource development." There were no apparent weaknesses in these organizations in terms of these characteristics that would suggest any serious barriers to implementation of the changes. Of the nine sites, the two rated the highest on "organizational accommodation of change," Patrick and Sembach, were seen at the outset to have the strongest, most effective implementation programs. These same two sites made a special effort to measure the effect of the changes on the organization (see Implementation section below).

Implementation

Several indicators were considered in evaluating implementation of the initiatives. One indicator concerned the training materials and general information used to acquaint and prepare employees for the changes. All sites provided training and orientation and, overall, these activities were judged by the recipients to be adequate. One reason for the relatively uniform training offered across sites was that representatives from Air Force, Army, and Navy Headquarters monitored implementation and developed and presented a portion of the information given.

Level of use was another indicator. The majority of sites reported that the initiatives were being fully used. In some cases, the initiatives were not used to their full extent early in the test; however, the sites were able to extend their use within a year, frequently through the encouragement of Headquarters representatives. The use of the initiatives was clearly reflected in the organizational performance measures. For example, most of the sites reported increases in the number and amount of monetary awards. Level of use was further indicated by level of acceptance. Based on questionnaire responses, more people were receptive to the initiatives than not for the majority of the sites.

A final indicator of whether implementation was being accomplished was the monitoring and measurement system established. All sites established such systems and routinely provided summary information to the external evaluators. The Air Force and TRADOC sites were strong contributors in this area. For example, Sembach Air Base developed the concept of comparing actual to "what if" pay, and Patrick Air Force Base produced computer software to improve tracking of Project EXPO.

In sum, all the sites provided a fair test of how EXPO initiatives affected NAF operations. As stated above, implementation was a success because of the extraordinary efforts made by the respective Headquarters staffs who established, developed, and carried out the training and assessment requirements as well as those efforts made by the implementation teams at each site. Some of the sites excelled in their implementation efforts because of the commitment and dedication of the MWR Chief, personnelists, and other employees involved in the implementation.

Intermediate Outcomes

Intermediate outcomes--those changes in organizational activities that contribute to achieving the goals of the proposed changes--were also examined. The intermediate outcomes were identifiable through organizational performance measures (e.g., time to fill a vacancy) and perceptual measures (e.g., attitudes toward pay banding). Improvements were seen early in the tests. One area was that of staffing, specifically in the reduction of days to fill jobs, as reported by the Air Force and TRADOC sites. Another intermediate outcome was improved morale as reflected in a significant decrease in sick leave at the TRADOC sites. Perceptual measures identified changes in employees' attitudes toward work. As an example, managers at Air Force sites felt that their ability to plan work and avoid bureaucratic constraints improved as a function of the EXPO initiatives. They also said that the paperwork required for personnel actions had been substantially reduced.

Ultimate Outcomes

Ultimate outcomes also included objective and perceptual measures. A major measurement area concerned "bottom-line" statistics, that is, revenue-generated net income. Overall, the reported figures have held fairly steady in comparison with pre-EXPO figures or have shown some improvement (e.g., at Ft. Gordon). Perceptual data also provided an indication of improvements. Across sites, managers and supervisors reported some improvement in the way their activities operated and in customer service provided since EXPO was adopted. Nonsupervisory employees were less positive.

Unintended Consequences

A certain number of unintended consequences resulted from the initiation of Project EXPO. One unintended consequence concerned the question by employees of fair treatment. Would management treat employees fairly in its effort to operate NAF activities in a more businesslike and cost effective manner? In some cases, management modified its policies in response to serious employee concerns (e.g., reinstatement of holiday and holiday premium pay at NTS San Diego for intermittent employees).

Another example concerned the difficulty the Air Force had in giving "on-the-spot" cash awards. The original intent was to present an employee with a small award (e.g., \$50) immediately after an outstanding accomplishment (e.g., putting on a highly successful banquet). It was discovered, however, that provisions did not exist in the pay system for this type of award; it was necessary that the award be included as part of a regular paycheck and be subject to an income tax deduction. The participating Air Force sites attempted to develop a system to present the awards as intended but were not able to do so.

A final example of an unintended consequence involved computer file maintenance at NAF activities. Not only were personnel offices required to maintain payroll records for EXPO employees under pay banding *and* under the old system (in the event that pay banding was not successful), but they also had to maintain systems for CT employees. The computer systems in many cases were not easily adaptable to the pay banding information, and ways of "getting around" the system had to be developed to maintain accurate records.

Conclusions

The sites participating in Project EXPO were sound organizationally, without any apparent serious deficiencies. In general, they developed workable implementation systems. Overall, Project EXPO has been beneficial to the operation of NAF activities and their employees at both the intermediate and ultimate outcome levels.

CONCLUSIONS

All sites enacted essentially the same package of changes. Requirements and concerns specific to each site produced minor variations in these changes from site to site. Because of these differences in uniformity as well as differences in site environment in which these changes were enacted, conclusions drawn from the results of these changes must be qualified. On the one hand the fact that certain consistent outcomes were obtained suggests that the core features of these changes are capable of producing similar benefits despite differences in the way the changes are enacted or in organizational setting. On the other hand no firm conclusions should be made regarding the exact properties of the change that could be universally applied.

The EXPO initiatives as a whole provide a viable approach to personnel management in the NAF environment and are helpful in the accomplishment of the NAF activities' mission. The initiatives have led to enhanced responsiveness, flexibility, and cost effectiveness of the personnel system and to a more efficient businesslike operation of NAF activities.

The EXPO initiatives were successfully implemented at all of the participating sites. One reason was that site managers were allowed to determine which changes would be implemented within their organizations and to tailor the changes to meet their unique needs.

Successful implementation overall can be attributed to a number of factors:

1. Commitment to Project EXPO by component Headquarters and management at the various sites.
2. The establishment and use by management of a philosophy and policies supportive of EXPO (e.g., reward exceptional performers, do not reward mediocre performers).
3. Involvement of component Headquarters in training and policy making for consistency across sites.
4. Tailoring of programs by individual sites in order to meet unique requirements.
5. Adequate time (a minimum of 6 months) for participating sites to prepare for the implementation, that is, to educate the work force and to develop new operating procedures and policies.
6. Wide-ranging education about the initiatives that included initial training, refresher training, and training for new employees. Guidelines were clear and people were available to answer questions.

7. Strong support from personnelists.
8. Union involvement in planning and implementing the changes.
9. Attention to issues of fairness in the system and a clear, unambiguous link between performance and pay.
10. Efforts to compensate CT employees for their exclusion from the EXPO pay initiative (e.g., increased allocation of awards, EXPO Plus at Naval Submarine Base, New London),
11. Location of management of NAF activities under the EXPO initiatives at the lowest possible level, with minimal review by committees and higher levels of management.
12. The presence of a recognized leader in the organization who champions the EXPO effort.

Effect of EXPO initiatives on NAF sites was most obvious at the intermediate outcome level, soon after implementation began. All of the sites began to benefit from a much more efficient, flexible personnel management system. All Air Force, USAREUR, and TRADOC sites reported that it took far less time to fill a vacancy under the new staffing procedures, often saving them as much as 2 weeks in recruiting and hiring needed personnel. Pay banding and the awards program were credited by managers and supervisors with providing a tangible link between pay and performance, enabling them to attract, retain, and reward the best employees.

The TRADOC test of revenue sharing enjoyed moderate success the first year, with funds distributed at both sites. The test of revenue sharing will be continued there another year to determine the effectiveness of such a system in improving the efficiency of operations. Streamlined grievance and discipline procedures are leading to faster resolution of individual work difficulties, and the use of business-based personnel actions will enable managers to retain their best employees during personnel drawdowns. According to NAF employees, the initiatives help overall to establish an atmosphere in which employees work more effectively and NAF managers run their operations with a greater degree of flexibility and control.

The streamlining of NAF operations appears to have had no negative impact on fair management practices (e.g., the proportion of minorities employed and the number of grievances and EEO complaints filed have remained constant). During the EXPO test, pay banding at the participating sites did not lead to sharp increases in pay rates. Some of the sites experienced slight increases in total payroll in comparison with what would have been paid under the old system of step increases; others had total payroll that was the same as or lower than what they would have had. There was also evidence to suggest that at some sites the payroll was used more efficiently, with more payroll dollars spent on regular hours than hours at a premium rate of pay. NAF managers appear to be able to use the flexibility of the pay band system to attract and retain employees while still controlling costs within their operations.

It is more difficult to reach a conclusion about the impact of the NAF EXPO initiatives on overall organizational performance as measured by fund profitability and other financial and cost indicators. The financial information collected during the test revealed a mixed pattern of higher

or lower profits over time since the baseline year. Despite the mixed pattern, most activities earned a profit during the EXPO test period.

The influence that the EXPO initiatives had on overall organizational performance cannot easily be determined because a variety of factors, some beyond the control of NAF management, may have had a significant impact on business operations. For example, the imposition of a new pay scale for Child Development Center personnel placed a strain on NAF budgets. Also, APF support for NAF activities lessened during the test period, requiring that more be done with NAF funds. Individual sites also faced financial problems during one or more years of the test (e.g., Chanute's pending closure). NAF managers reported that the *profitable* management of their activities is becoming increasingly difficult because of economic conditions. The EXPO changes implemented during this period have not had adverse effects on their operations. Although the EXPO initiatives have not dramatically improved the financial situation at all of the participating sites, managers reported that they have helped them endure the difficult times. Managers at various sites reported that the EXPO initiatives have allowed them to keep activities open that might have been closed and to retain employees who might have been released under the old system. They noted that although these are difficult times for NAF activities, it would have been much worse under the old system.

This positive attitude toward the EXPO initiatives was reflected in the questionnaire and interview results. The majority of managers and supervisors from every test site indicated that they approved of the EXPO initiatives. They expressed a strong commitment to and preference for the NAF EXPO system over the old system, and they were unanimous in their recommendation that NAF EXPO be expanded to include all NAF employees (e.g., Crafts and Trades). From their perspective, NAF EXPO has enabled the NAF activities to function in a more efficient, businesslike way. Nonsupervisory employees were less favorable about the EXPO initiatives. Despite employee concerns that increased management flexibility could lead to a lack of attention to employee rights, sites reported few specific problems. Still, concerns lingered. Employees who worked under EXPO and the previous system expressed the most dissatisfaction in interviews because they had known the old system of differentials and saw those benefits removed. Many interviewees noted that the EXPO system would probably be better received by nonsupervisory employees who, in the future, will have had no experience or knowledge of the previous system. Managers and personnelists also noted that under the difficult financial conditions that existed, the lack of automatic pay increases under EXPO allowed them to retain employees that they otherwise might have been forced to let go.

Several issues have significance for sites that decide to adopt the EXPO initiatives. The initiatives have transformed the NAF personnel system from one that grants routine pay increases to all employees to ensure fairness to one that allows managers to motivate and reward employees who excel at their work through pay increases, in other words, a system that links performance to pay. Because of this shift, concerns for equity and fairness have arisen. Managers of NAF activities must be aware of these concerns and work to ensure that the system remains fair.

A component tied to the success of EXPO was training. With the high turnover rates in NAF activities, it was necessary for activities to provide continuing opportunities for training in the EXPO system and related areas (e.g., supervisory training in performance appraisal). At times, decisions about how to apply the EXPO system were not always correct and modification of

procedures was needed. At sites that carefully considered the problems and revised local policies accordingly, the initiatives functioned much more successfully. A major benefit of the EXPO initiatives, therefore, is the flexibility built into them that allows managers to respond to emerging needs and changing conditions.

In summary, EXPO has had a positive impact on NAF operations. Although some sites had a limited opportunity to test the EXPO initiatives, there appears to be no reason for them to hold back from further implementation.

Based on the results of the evaluation to date, the authors draw the following conclusions and make the following recommendations:

1. The initiatives tested under Project EXPO are extremely helpful in streamlining NAF personnel management and giving managers the flexibility they need to run their activities more effectively. The initiatives should be incorporated into NAF policies and procedures. The NAF policy manual should be revised to include:
 - a. A simplified classification system to support a pay band structure.
 - b. A system of merit promotion that supports promotions from one pay band to another.
 - c. Consistent terminology to distinguish between NAF employees who are considered permanent or temporary (e.g., "permanent" vs. "associate," "permanent" vs. "flexible"), and an oversight mechanism to ensure that these distinctions are used fairly.
 - d. Flexibility in staffing procedures, including increased authority for managers and appropriate safeguards to maintain fair selection and hiring.
 - e. Flexibility to establish performance appraisal systems designed to streamline and improve performance appraisal.
 - f. A broader awards policy giving managers more discretion to provide employees worthy of recognition with rewards for performance and the option of revenue sharing.
 - g. Business-oriented personnel actions that use performance to identify employees for separation during business-based drawdowns.
 - h. A grievance system that provides for the resolution of grievances at the lowest level within the organization, protecting employee rights while dealing with grievances in a timely fashion.
 - i. A system of discipline that employs positive/nonpunitive techniques to help employees take responsibility for correcting problem behavior.
2. Pay banding is useful to managers in attracting and retaining highly qualified employees who meet the needs of the NAF activities. At the same time, their retention does not require an excessive increase in pay rates. The use of pay banding appears to be helpful both in high-cost and low-cost living areas. In high-cost areas, the pay bands allow managers to offer rates competitive

with the local economy, whereas in low cost areas the bands allow managers to maximize profits by only paying salaries sufficient to attract, motivate and retain employees. The results of the test of pay banding, while not conclusive, indicate that it is a promising approach to improving human resource management in NAF activities and its use should be continued with further refinement.

3. To successfully implement the EXPO initiatives at NAF activities, it is appropriate to include all NAF employees in the pay-related initiatives. An effort should be made to provide pay banding coverage to CT employees. One site, NSB New London, developed a supplemental plan (EXPO Plus) to cover CT employees under existing regulations, but it was seen by managers as only a stop-gap method to reduce inequities until pay bands could be applied to all employees.

4. Based on the success of the implementation effort, use of EXPO initiatives should be extended to other NAF activities.

5. To facilitate the use of pay banding across DOD components, a consistent DOD pay band structure and schedule should be established. Based on the use of pay bands in Project EXPO and in Federal demonstration projects testing pay banding, consideration should be given to developing a structure that includes: (a) a set of schedules for pay banding that are appropriate for different types of occupational groups (e.g., clerical, crafts and trades), and (b) a mechanism to adjust pay band salaries according to local economic conditions. The structure should be developed with input from the NAF Policy Group and Project EXPO participants.

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APPENDIX A
SAMPLES OF NAF EXPO INTERVIEW QUESTIONS

Site: _____

Date: _____

Interviewers: _____

**Air Force NAF
Implementation Interview
Managers/Supervisors**

1. How did you first hear about the EXPO changes?

Position Classification and Pay (Pay Banding)
Employment Categories (Temporary and Permanent)
Hiring - (Managers determine qualification requirements)
Performance Evaluation (2 Ratings - met, not met)
Incentive Awards Program (On-the-spot cash awards)
Business-Oriented Personnel Actions
Disciplinary Actions (taken in any order)
Grievance system (resolved at lowest level)

**2. When the EXPO changes were introduced, were reasons given for these changes?
Did you understand the rationale for the changes? Did you feel the need for these
changes?**

**3. During the period of time between when you first heard about the changes and the
present:**

Have you received training? (hours? days? months?)

**Do you at this time feel you have the appropriate information, skills, and knowledge
necessary to carry out the new procedures?**

Have resources been made available to you to carry these changes out (books, articles, other resources)?

Did you receive a training manual?

Have you received feedback about the status of Project EXPO? If so, how?

4. Does your management support the EXPO changes?
5. Have you been asked about your feelings, ideas, or suggestions about the changes?
Have you been involved in planning or decision-making regarding the changes?
6. Was enough time allowed for the transition from the old system to the new one?
7. How are the changes working?

8. Have you had an opportunity to use the new methods?

9. Have there been any problems with the new changes?

10. Are there impediments to carrying them out?

Inadequate involvement of all level employees?

Unrealistic expectations of supervisor?

Personal resistance?

Transition period too short or too long?

Inadequate planning?

Poor fit with existing organizational operations/procedures?

11. Do the EXPO changes overextend you?

12. Have the EXPO changes brought about unrealistic expectations?

13. Has there been any resistance to or rejection of the EXPO changes?

Site: _____
Date: _____
Interviewers: _____

Army NAF
Implementation Interview
Managers/Supervisors

1. How did you first hear about the EXPO changes?

Position Classification and Pay
Employment Categories
Incentive Awards/Revenue Sharing
Business Management Career and Intent Program
Training and Development
Performance Evaluation
Business-Oriented Personnel Actions
Disciplinary Actions
Employee Relations/Grievances

2. When the EXPO changes were introduced, were reasons given for these changes? Did you understand the rationale for the changes? Did you feel the need for these changes?

3. During the period of time between when you first heard about the changes and the present:

Have you received training? (hours? days? months?)

Do you at this time feel you have the appropriate information, skills, and knowledge necessary to carry out the new procedures?

Have resources been made available to you to carry these changes out (books, articles, or other resources)?

Did you receive a training manual?

Have you received feedback about the status of Project EXPO? If so, how?

4. Does management support the EXPO changes?
5. Have you been asked about your feelings, ideas, or suggestions about the changes? Have you been involved in planning or decision-making regarding the changes?
6. Was enough time allowed for the transition from the old system to the new one?
7. How are the changes working?
8. Have you had an opportunity to use the new methods?

9. Have there been any problems with the new changes?

10. Are there impediments to carrying them out?

Inadequate involvement of all level employees?

Unrealistic expectations of supervisor?

Personal resistance?

Transition period too short or too long?

Inadequate planning?

Poor fit with existing organizational operations/procedures?

11. Do the EXPO changes overextend you?

12. Have the EXPO changes brought about unrealistic expectations?

13. Has there been any resistance to or rejection of the EXPO changes?

APPENDIX B

PROJECT EXPO ORGANIZATIONAL ASSESSMENT SAMPLE QUESTIONNAIRES



DEPARTMENT OF THE NAVY
NAVY PERSONNEL RESEARCH AND DEVELOPMENT CENTER
SAN DIEGO, CALIFORNIA 92132-6200

PROJECT EXPO ORGANIZATIONAL ASSESSMENT

This questionnaire has been designed as part of an effort to evaluate changes in personnel practices that are being made at your organization. These changes are part of a DoD-wide project called Project EXPO. We are interested in your attitudes toward Project EXPO and its effect on your organization over time. You may have completed a Project EXPO questionnaire last year; we are asking you to complete a similar questionnaire this year to determine your current feelings about EXPO. Navy Personnel Research and Development Center (NPRDC) is conducting the evaluation of these changes.

We are asking various people in your organization to fill out this questionnaire. Included are questions about your attitudes toward the organization and the changes being made. There are no right or wrong answers; we are just interested in your feelings and attitudes. Be sure to answer all of the questions. For those questions about which you are unsure, mark the answer that is closest to the way you feel.

Information you provide will be kept completely confidential. All the questionnaires will be sent to NPRDC for analysis. To insure the privacy of respondents, lists of names and identification numbers will be maintained only by Defense Manpower Data Center (DMDC). Reports will be presented in ways that make it impossible to identify individual participants.

Thank you for your time and participation.

Joyce Shettel-Neuber, Ph.D.
John Sheposh, Ph.D.
Prentice Case St. Clair, M.A.
Personnel Research Psychologists
Telephone: Autovon 553-7948; Commercial (619) 553-7948

Privacy Act Statement

Public law 93-579 called the Privacy Act of 1974 requires that you be informed of the purposes and uses to be made of the information collected. Providing information in the questionnaire is voluntary. Failure to respond to any particular question will not result in any penalty to the respondent. Report Control Symbol DD - FMNP(OT)1788.

Project EXPO Organizational Assessment
Air Force NAF
Managers/Supervisors

Please answer each question by circling the number corresponding to your response or by writing your response in the space provided.

1. What is your level? (CIRCLE only one.)

- 1. First-line supervisor
- 2. Supervisor/Manager (above first-line)
- 3. Personnelist (including all levels)

2. What is your employment category?

- a. Flexible
- b. Permanent

3. How long have you worked at this job? _____ years _____ months

4. Which activity do you work in? _____

5. What is your job title? _____

6. What is your educational level? (Circle the highest grade completed.)

- a. Some high school
- b. Some high school and technical training
- c. High school graduate or General Education Development (GED)
- d. Some college or technical training beyond high school
- e. Graduate from college or university (B.A., B.S., or other bachelor's degree)
- f. Some graduate
- g. Graduate or professional degree (Please specify) _____

7. What is your sex?

- a. male
- b. female

8. What is your age? _____

Circle the number that best describes your answer to the following questions.

How satisfied are you with:

	<i>Very Dissatisfied</i>	<i>Neither Dissatisfied Nor Satisfied</i>	<i>Very Satisfied</i>
9. your coworkers?	1	2	3
10. your opportunity to develop your skills and abilities?	4	5	6
11. the recognition you get for doing your job?	7	1	2
12. your job?	3	4	5
13. your immediate supervisor?	6	7	1
14. the way you are evaluated on the job?	2	3	4
	5	6	7

How would you rate your organization in...

	<i>Poor</i>	<i>Below Average</i>	<i>Average</i>	<i>Above Average</i>	<i>Outstanding</i>
15. responding to peak demands and emergencies?	1	2	3	4	5
16. meeting the needs of customers (those who use its products or services)?	6	7	8	9	1
17. accurately understanding the interests of customers?	5	6	7	8	9
18. avoiding costly mistakes?	4	5	6	7	8
19. assigning the right people to the job?	3	4	5	6	7
20. meeting the personal needs of employees (e.g., promotions, benefits)?	2	3	4	5	6
	7	8	9	1	

How would you rate your organization in...

	<i>poor</i>	<i>Below Average</i>	<i>Average</i>	<i>Above Average</i>	<i>Outstanding</i>
21. providing supplies, equipment, training, and other resources to get the job done?	1	2	3	4	5
22. fully using the employees' talents?	1	2	3	4	5
23. coordinating the efforts of different work units?	1	2	3	4	5
24. providing systems or support that make it easier to get your job done?	1	2	3	4	5

Circle the number that best describes your opinions on each of the following statements.

	<i>Strongly Disagree</i>	<i>Neither Disagree Nor Agree</i>	<i>Strongly Agree</i>
25. People in this organization realize that new organizational changes and tasks produce frustration.	1	2	3
26. Pressures and frustrations created by new changes are handled constructively in this organization.	1	2	3
27. This organization can be described as flexible and adaptive to change.	1	2	3
28. People here try new approaches to tasks, as well as ones which are tried and true.	1	2	3
29. Resources for developing new ideas are made available.	1	2	3
30. This organization is open and responsive to change	1	2	3

Circle the number that best describes your opinions on each of the following statements.

Strongly Disagree *Neither Disagree Nor Agree* *Strongly Agree*

31. People in this organization are willing to try new ways of doing their jobs. 1 2 3 4 5 6 7

32. New programs here are frequently introduced, but never last. 1 2 3 4 5 6 7

33. People in this organization are content with the way things are done and do not want to change. 1 2 3 4 5 6 7

34. This organization has clear goals. 1 2 3 4 5 6 7

35. This organization is more concerned with the status quo than with change. 1 2 3 4 5 6 7

36. This organization uses goals as a basis for day-to-day work practices. 1 2 3 4 5 6 7

37. This organization makes formal plans to reach its goals. 1 2 3 4 5 6 7

38. Planning to achieve goals at this organization tends to be oriented toward the long term. 1 2 3 4 5 6 7

39. The goals of this organization are clearly communicated to employees. 1 2 3 4 5 6 7

40. This organization provides managers with information needed for sound decision making. 1 2 3 4 5 6 7

41. The various units in this organization understand each others' problems and difficulties. 1 2 3 4 5 6 7

42. Decision making in this organization is based on the short term view. 1 2 3 4 5 6 7

Circle the number that best describes your opinions on each of the following statements.

*Strongly
Disagree* *Neither Disagree
Nor Agree* *Strongly
Agree*

43. The various units in this organization understand each others' objectives and goals. 1 2 3 4 5 6 7

44. Various units in this organization truly cooperate with one another. 1 2 3 4 5 6 7

45. People are sufficiently aware of things that are happening in other areas of this organization that might have an effect on how they do their job. 1 2 3 4 5 6 7

46. People in this organization are free to take independent actions that are necessary to carry out their job responsibilities. 1 2 3 4 5 6 7

47. Managers are encouraged to take reasonable risks in their efforts to increase the effectiveness of this organization. 1 2 3 4 5 6 7

48. Open discussion of differing views is encouraged. 1 2 3 4 5 6 7

49. Managers in this organization receive the support they need from higher levels of management to successfully carry out their job responsibilities. 1 2 3 4 5 6 7

50. Managers are held accountable for the results that they produce. 1 2 3 4 5 6 7

51. This organization is responsive to changes in the Federal Government environment. 1 2 3 4 5 6 7

Circle the number that best describes your opinions on each of the following statements.

Strongly Disagree Neither Disagree Nor Agree Strongly Agree

52. This organization is successful in developing people from within for bigger jobs.

1 2 3 4 5 6 7

53. This organization provides opportunities for individual growth and development.

1 2 3 4 5 6 7

54. The talents of managers are appropriately matched to the demands of their job.

1 2 3 4 5 6 7

55. The current reporting system helps managers in this organization do their job effectively

1 2 3 4 5 6 7

56. The current reporting system helps this organization achieve its goals.

1 2 3 4 5 6 7

57. The current reporting system helps this organization in the coordination of efforts.

1 2 3 4 5 6 7

58. Decision making in this organization tends to be timely.

1 2 3 4 5 6 7

59. Compared with similar organizations this organization is a pacesetter.

1 2 3 4 5 6 7

60. Communications in this organization tend to be extremely good.

1 2 3 4 5 6 7

Circle the number that best describes your opinions on each of the following statements.

Strongly
Disagree

Neither Disagree
Nor Agree

Strongly
Agree

61. This organization is energetic and active. 1 2 3 4 5 6 7

62. Often, I find it difficult to agree with this organization's policies on important matters relating to its employees. 1 2 3 4 5 6 7

63. On the whole, I feel a sense of commitment to this organization. 1 2 3 4 5 6 7

64. I am proud to be a part of this organization. 1 2 3 4 5 6 7

65. I am extremely glad that I chose to work for this organization. 1 2 3 4 5 6 7

66. I think working for this organization is great. 1 2 3 4 5 6 7

The following section of the survey is designed to assess how you feel about the changes in personnel practices that are being made at your organization. Please answer each question by filling in the blank or by circling the response that best describes your view.

67. How does your pay compare to someone doing the same job off base in the local community?

- a. Pay is much higher in the community.
- b. Pay is somewhat higher in the community.
- c. The pay is about the same.
- d. My pay is somewhat higher.
- e. My pay is much higher.

68. How effectively is your activity managed?

- a. Very ineffectively
- b. Ineffectively
- c. Neither ineffectively nor effectively
- d. Effectively
- e. Very effectively

69. How do you feel about working here?

- a. Very negative
- b. Negative
- c. Neither negative nor positive
- d. Positive
- e. Very positive

70. What do you think about pay banding?

- a. It's a very bad idea.
- b. It's a bad idea.
- c. It's neither a bad nor a good idea.
- d. It's a good idea.
- e. It's a very good idea.

71. Is outstanding performance recognized in your activity?

- a. To a very little extent
- b. To a little extent
- c. To some extent
- d. To a great extent
- e. To a very great extent

72. How do you feel about the current system of basing pay raises on how well you perform?

- a. Strongly dislike
- b. Dislike
- c. Neither dislike nor like
- d. Like
- e. Strongly like

73. Are your customers' needs satisfactorily met?

- a. To a very little extent
- b. To a little extent
- c. To some extent
- d. To a great extent
- e. To a very great extent

To what extent are the following true under the Project EXPO changes?

The EXPO hiring procedures ...

	<i>Not At All</i>	<i>To a Small Extent</i>	<i>To Some Extent</i>	<i>To a Great Extent</i>	<i>To a Very Great Extent</i>
--	-------------------	--------------------------	-----------------------	--------------------------	-------------------------------

74. are easy to carry out.

1	2	3	4	5
---	---	---	---	---

75. result in fair selection of candidates.

1	2	3	4	5
---	---	---	---	---

76. involve more work.

1	2	3	4	5
---	---	---	---	---

77. increase the possibility of problems (e.g., EEO suits, grievances).

1	2	3	4	5
---	---	---	---	---

The EXPO firing procedures ...

78. save time.

1	2	3	4	5
---	---	---	---	---

79. are easy to carry out.

1	2	3	4	5
---	---	---	---	---

80. permit flexibility.

1	2	3	4	5
---	---	---	---	---

81. increase the possibility of problems (e.g., EEO suits, grievances).

1	2	3	4	5
---	---	---	---	---

	<i>Not At All</i>	<i>To a Small Extent</i>	<i>To Some Extent</i>	<i>To a Great Extent</i>	<i>To a Very Great Extent</i>
The EXPO disciplinary system . . .					
82. is effective.	1	2	3	4	5
83. is easy to carry out.	1	2	3	4	5
84. is fair.	1	2	3	4	5
85. interrupts day-to-day work.	1	2	3	4	5
Pay banding . . .					
86. is fair.	1	2	3	4	5
87. permits greater control over budget.	1	2	3	4	5
88. permits greater flexibility in managing your activity.	1	2	3	4	5
The EXPO awards system . . .					
89. is beneficial to productivity.	1	2	3	4	5
90. is beneficial to morale.	1	2	3	4	5

What effect do you think the EXPO changes have had on the following aspects of your work?

		Very Negative Effect	Negative Effect	Somewhat Negative Effect	No Effect	Somewhat Positive Effect	Positive Effect	Very Positive Effect
91.	Meeting goals and objectives	-3	-2	-1	0	1	2	3
92.	Hiring people	-3	-2	-1	0	1	2	3
93.	Promoting people	-3	-2	-1	0	1	2	3
94.	Recognizing good and bad performance	-3	-2	-1	0	1	2	3
95.	Ability to create an environment in which subordinates work effectively	-3	-2	-1	0	1	2	3
96.	Ability to plan, direct, and evaluate your work	-3	-2	-1	0	1	2	3
97.	Reducing regulatory constraints	-3	-2	-1	0	1	2	3

The following questions ask you to compare the current personnel system under Project EXPO with the previous system. If you were working here before EXPO, please answer the following questions by circling the number under the words that best describe your feelings.

	Much Worse	Worse	The Same	Better	Much Better
In comparison to before EXPO ...					
98. the way your activity operates is ...	1	2	3	4	5
99. customer service is ...	1	2	3	4	5
100. the awards system is ...	1	2	3	4	5
101. job security ...	1	2	3	4	5
102. protections against employees being fired are ...	1	2	3	4	5
103. the quality of employees is ...	1	2	3	4	5
104. your benefits are ...	1	2	3	4	5

THANK YOU FOR YOUR PARTICIPATION



DEPARTMENT OF THE NAVY
NAVY PERSONNEL RESEARCH AND DEVELOPMENT CENTER
SAN DIEGO, CALIFORNIA 92182-6800

PROJECT EXPO ORGANIZATIONAL ASSESSMENT

This questionnaire has been designed as part of an effort to evaluate changes in personnel practices that are being made at your organization. These changes are part of a DoD-wide project called Project EXPO. Navy Personnel Research and Development Center (NPRDC) is conducting the evaluation of these changes.

We are asking various people in your organization to fill out this questionnaire. Included are questions about your attitudes toward the organization and the changes being made. There are no right or wrong answers; we are just interested in your feelings and attitudes. Be sure to answer all of the questions. For those questions about which you are unsure, mark the answer that is closest to the way you feel.

Information you provide will be kept completely confidential. All the questionnaires will be sent to NPRDC for analysis. To insure the privacy of respondents, lists of names and identification numbers will be maintained only by Defense Manpower Data Center (DMDC). Reports will be presented in ways that make it impossible to identify individual participants.

Thank you for your time and participation.

Joyce Shettel-Neuber, Ph.D.
John Sheposh, Ph.D.
Prentice Case St. Clair, M.A.
Personnel Research Psychologists
Telephone: Autovon 553-7949; Commercial (619) 553-7949

Privacy Act Statement

Public law 93-579 called the Privacy Act of 1974 requires that you be informed of the purposes and uses to be made of the information collected. Providing information in the questionnaire is voluntary. Failure to respond to any particular question will not result in any penalty to the respondent. Report Control Symbol DD - FMNP(OT)1788.

Project EXPO Organizational Assessment
Air Force NAF
Employees

PLEASE ANSWER EACH QUESTION BY CIRCLING THE NUMBER CORRESPONDING TO YOUR RESPONSE OR BY WRITING YOUR RESPONSE IN THE SPACE PROVIDED.

1. Sex: 1. Male
 2. Female

2. Age: _____

3. What is your education level? (CIRCLE the highest completed.)

1. Some high school.
2. Some high school and technical training.
3. High school graduate or General Education Development (GED).
4. Some college or technical training beyond high school.
5. Graduate from college or university (B.A., B.S., or other bachelor's degree).
6. Some graduate school.
7. Graduate or professional degree (Please specify) _____.

4. Which of the following best describes your position? (CIRCLE only one.)

1. Non-supervisory.
2. First-line supervisor.
3. Supervisor/Manager (above first-line).

5. What is your job title? _____

6. What is your pay category and grade level? (e.g., UA-7, GS-7) _____

7. Type of appointment:

1. Regular full-time.
2. Regular part-time.
3. Temporary full-time.
4. Temporary part-time.
5. Intermittent.

8. How long have you worked in this organization?

1. Less than one year.
2. 1-3 years.
3. 4-6 years.
4. 7-9 years.
5. 10-12 years.
6. 13-15 years.
7. More than 15 years.

9. How long have you worked in your current position?

1. Less than one year.
2. 1-3 years.
3. 4-6 years.
4. 7-9 years.
5. 10-12 years.
6. 13-15 years.
7. More than 15 years.

10. How many more years do you plan to work before leaving or retiring from DoD NAF employment?

1. Less than one year.
2. 1-3 years.
3. 4-6 years.
4. 7-9 years.
5. 10-12 years.
6. 13-15 years.
7. More than 15 years.
8. Don't know.

11. Have you applied for other positions in this organization within the last year?

1. Yes If "Yes," how many? _____
2. No

12. Were you selected to fill any position for which you applied in the last year?

1. Yes If "Yes," give grades of positions from and to which promoted: From _____ to _____.
2. No

PLEASE ANSWER THE FOLLOWING QUESTIONS ABOUT PERSONNEL MANAGEMENT IN YOUR ORGANIZATION BY CIRCLING THE NUMBER THAT BEST DESCRIBES YOUR OPINION.

13. In this organization, positions are filled . . .

1. Very slowly.
2. Slowly.
3. Neither slowly nor quickly.
4. Quickly.
5. Very quickly.

14. Turnover here is . . .

1. Very high.
2. High.
3. Neither high nor low.
4. Low.
5. Very low.

15. Personnel management costs are . . .

1. Very high.
2. High.
3. Neither high nor low.
4. Low.
5. Very low.

16. Overall, management of personnel in this organization is . . .

1. Very inefficient.
2. Inefficient.
3. Neither inefficient nor efficient.
4. Efficient.
5. Very efficient.

17. The amount of paperwork required for personnel actions is . . .

1. Very large.
2. Large.
3. Moderate.
4. Small.
5. Very small.

18. Your authority to influence decisions regarding personnel is . . .

1. Very low.
2. Low.
3. Neither high nor low.
4. High.
5. Very high.

	Strongly Disagree		Neither Disagree Nor Agree		Strongly Agree		
	1	2	3	4	5	6	7
19. The personnel management system is designed to keep the best employees.							
20. There is a definite relationship between employees' performance and pay.	1	2	3	4	5	6	7
21. Awards are given to the most deserving employees in this organization.	1	2	3	4	5	6	7
22. Discipline is timely and properly used in this organization.	1	2	3	4	5	6	7
23. This organization has a strong commitment to EEO.	1	2	3	4	5	6	7
24. Management is sincerely interested in providing employment and advancement opportunities for both women and members of minority groups.	1	2	3	4	5	6	7

PLEASE USE THE SCALE BELOW TO ANSWER THE FOLLOWING QUESTIONS CONCERNING THE PERSONNEL SERVICE YOU RECEIVE.

	Strongly Disagree		Neither Disagree Nor Agree		Strongly Agree		
25. The personnel service you receive is good.	1	2	3	4	5	6	7
26. Answers you receive about personnel matters are correct and dependable.	1	2	3	4	5	6	7
27. Employees are regularly informed about important changes in personnel rules or benefits.	1	2	3	4	5	6	7
28. Servicing personnelists are courteous.	1	2	3	4	5	6	7

PLEASE ANSWER THE FOLLOWING QUESTIONS ARE ABOUT PROJECT EXPO BY CIRCLING THE NUMBER CORRESPONDING TO YOUR OPINION.

29. Did you receive a copy of the employees' handout prepared for Project EXPO?

1. Yes
2. No

If "Yes," did you read the handout?

1. Yes
2. No

If "Yes," did you find the handout helpful?

1. Yes
2. No

30. Did you attend the employee training/orientation session about Project EXPO?

1. Yes
2. No

If "Yes," did you find the training informative and helpful?

1. Yes
2. No

As a result of Project EXPO,
I expect that . . .

- | | <i>Much Lower</i> | | | <i>About the Same</i> | | | <i>Much Higher</i> |
|---|-------------------|---|---|-----------------------|---|---|--------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 31. the amount of money I make
(base pay and awards) will be . . . | | | | | | | |
| 32. turnover will be . . . | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 33. morale will be . . . | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 34. personnel costs will be . . . | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 35. the efficiency of managing personnel will be | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 36. the workload will be . . . | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

37. Are you aware of when performance appraisals are due for your employees?

1. Yes
2. No

- | | <i>Strongly Disagree</i> | | | <i>Neither Disagree
Nor Agree</i> | | | <i>Strongly Agree</i> |
|--|--------------------------|---|---|---------------------------------------|---|---|-----------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 38. This organization should try Project EXPO. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 39. Project EXPO is likely to succeed. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 40. Pay banding will allow for recruitment
of employees that are more highly qualified. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 41. Pay banding will make it easier to adjust
employees' salaries according to their performance. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 42. Monetary awards will improve
employee performance. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Giving management more responsibility to manage personnel under EXPO will:

- | | Strongly Disagree | | | Neither Disagree Nor Agree | | | Strongly Ag. |
|---|-------------------|---|---|----------------------------|---|---|--------------|
| 43. increase flexibility. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 44. make it faster to fill vacancies. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 45. make recruitment easier. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 46. increase your workload. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 47. make it easier to get the right employee for the job. | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

In comparison to the present system . . .

- | | Much Worse | | | About the Same | | | Much Better |
|---|------------|---|---|----------------|---|---|-------------|
| 48. business-based personnel actions will be . . . | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 49. the grievance system under Project EXPO will be . . . | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

THANK YOU FOR YOUR PARTICIPATION

APPENDIX C
DEFINITIONS OF ORGANIZATIONAL CLIMATE CHARACTERISTICS

Definitions of Organizational Climate Characteristics

Organizational Clarity (6 items; 7-point scale; 1 is negative. 7 is positive)--the extent to which people perceive the organization's missions, objectives, processes and activities as purposeful, rational, and fully communicated.

Organizational Integration (5 items; 7-point scale; 1 is negative. 7 is positive)--the extent to which various subunits cooperate and communicate to achieve organizational objectives.

Management Style (5 items; 7-point scale; 1 is negative. 7 is positive)--the extent to which people feel encouraged to use their own initiative and to question authority and how much support they sense from higher levels of management.

Organizational Vitality (3 items; 7-point scale; 1 is negative. 7 is positive)--the extent to which people see the organization as dynamic and responsive to change, with venturesome goals and innovative decisions.

Human Resources Development (3 items; 7-point scale; 1 is negative. 7 is positive)--the extent to which employees perceive opportunities within the organization that will allow people to develop their full potential.

Resistance to Change (3 items; 7-point scale; 1 is negative. 7 is positive)--the extent to which people perceive the organization's resistance to change and desire to maintain the status quo.

Decision-Making Structure (4 items; 7-point scale; 1 is negative. 7 is positive)--the extent to which a reporting structure is available to help in decision-making.

Organizational Accommodation of Change (8 items; 7-point scale; 1 is negative. 7 is positive)--the extent to which people see the organization as flexible, open, and responsive to new approaches.

Organizational Commitment (5 items; 7-point scale; 1 is negative. 7 is positive)--the extent to which people express pride in and loyalty to the organization.

Job Satisfaction (6 items; 7-point scale; 1 is negative. 7 is positive)--the extent to which people express satisfaction with various aspects of the job (e.g., co-workers).

Organizational Effectiveness (10 items; 9-point scale; 1 is negative. 9 is positive)--the extent to which the organization functions effectively to meet customer and employee needs and to maintain a favorable position with its competition.

APPENDIX D
EXPO IMPLEMENTATION PROGRESS REPORT

Attachment A

EXPO IMPLEMENTATION PROGRESS REPORT
Time 2

SITE	Date	PERSONNEL SYSTEM INTERVENTIONS	Completion Date

- A. Update of Milestones Critical Components

B. Summary of Results

C. Interpretation of Results

D. Other Information/Problems

APPENDIX E

**EXCERPT FROM SPECIAL REVIEW OF CIVILIAN PERSONNEL MANAGEMENT,
HQUSAREUR AND 7TH ARMY, NAF EXPO,
MID-TEST EVALUATION**

I. INTRODUCTION:

A. Background. The 1986 report on the DAIG inspection of civilian personnel management recommended review of the NAF personnel system to ensure it is sufficiently flexible to meet the business needs of NAF operations. This recommendation was addressed and an alternative personnel concept developed by a dedicated team working under the Army Civilian Personnel Modernization Project. Subsequently, in January 1988, the Office of the Secretary of Defense approved HQ USAREUR proposal for a test of a business-oriented Nonappropriated Fund (NAF) personnel system as part of the Experimental Personnel Office (EXPO) project. The test commenced on 31 March 1988. The test sites are Heidelberg and Stuttgart, with Frankfurt serving as the control site.

The Assistant Secretary of the Army for Manpower and Reserve Affairs (OASA (M&RA)) assigned oversight responsibility for NAF EXPO to the Civilian Personnel Modernization Project (CPMP) Office, which designated the Atlanta Field Office (AFO), Civilian Personnel Evaluation Agency (CPEA), as its agent for technical evaluation of the NAF EXPO test. In this capacity, the AFO developed, and provided to HQ USAREUR, data collection forms (and instructions for completing them). The information requested in the forms was based on the new authorities under the test and items of analysis identified in HQ USAREUR's approved plan. HQ USAREUR was advised that the forms should be viewed as dynamic instruments subject to modification based on feasibility determinations and mutual agreement between HQ USAREUR and HQDA.

To further assist in the implementation phase of the test, the AFO conducted a staff assistance visit in April 1988 to USAREUR.¹

B. Scope of Review. This mid-test evaluation report provides an interim assessment of experience under NAF EXPO in the first year of the test and includes significant results of the attitudinal baseline study, quarterly evaluations and the first year assessment report prepared by HQ USAREUR, highly structured interviews with key managers and group interviews with first line supervisors and employees, and detailed analysis of financial statements of each of the funds under EXPO.

II. MID-TEST EVALUATION:

A. Classification and Compensation Management:

a. Baseline Study Results. At the beginning of the test, managers were pleased with system changes that would allow them to set pay based on labor market conditions, employee performance, and fund profitability. Pay banding, delegation of classification authority, and a compensation system that rewards

¹ Those sections of the report that are most relevant to the EXPO initiative are presented here.

productivity -allowing bonuses and pay adjustments without significant restrictions other than availability of funds - were seen as important tools in attracting, motivating, and retaining good performers. Pay bands and simplified position guides were also viewed as making the new system easier to understand and apply, with the potential to reduce delay and conflict (with the CP Office) in the administration of the personnel program. Although most managers projected that labor costs would rise slightly, at least in the short run, as they adjusted pay levels to resolve burning issues and problems, they felt that increased costs would be at least partially offset by decreased turnover and increased productivity (e.g., fewer manhours). However, managers in Stuttgart were fearful that budget restrictions would prevent a good test of the new pay setting flexibilities.

b. Mid-test Evaluation Results. Managers still hold all of their initial, positive views about the advantages of the EXPO system evidenced by their comparison assessment with the traditional system.

Classification/Compensation System

	<u>Traditional</u>			<u>EXPO</u>		
	U	S	O	U	S	O
Heidelberg	7	7	0	2	11	11
Stuttgart	7	4	1	2	11	6
Total	14	11	1	4	22	17

Legend:

U = Unsatisfactory

S = Satisfactory

O = Outstanding

Although the impact on recruitment and retention has not been documented by hard data, managers indicate that the flexibility to negotiate entrance salaries has been beneficial in some cases, and pay adjustments may have served to keep some key employees that would otherwise have left. Thirty-five of 40 managers who commented on this area felt that the EXPO system was more responsive to the labor market. Some managers report their perceptions of reduced turnover (12 of 40) and personnel strength requirements; however, personnel and manpower data do not clearly reflect those benefits at this point in the test. More data gathering and analysis needs to be done in this area. Managers who have exercised their authority for classification are pleased about the reduced time it takes to get personnel actions processed, citing the elimination of conflict with classifiers and shortened paper flow as positive steps to both increased productivity and reduced frustration. The combination of

classification and pay setting authorities and simplified job statements (position guides) also facilitates the implementation of organizational/mission changes by permitting managers to respond more quickly to business needs and ideas for improvement. In its first year assessment report, HQ, USAREUR evaluated how well managers have accepted, and the degree to which they have implemented, the new system. Our evaluation in this area basically confirms the conclusions of HQ USAREUR analysis. Managers in Heidelberg have universally taken over the classification process (the CP Office is essentially out of the business) and are using pay banding flexibilities frequently in conjunction with recruitment and performance recognition. Position guides in the simplified format have been developed for almost all positions, and while managers are not perfectly satisfied with the quality of the guides, many have made modifications for specific positions. Stuttgart managers have not been as quick to exercise classification authority, and many of the position guides have not been developed in the simplified format. Accordingly, the full potential of system changes have not yet been realized. There is a need for the CP Office to provide more training, guidance and assistance to managers in this area. On a positive note, top management in Stuttgart is now placing emphasis on these shortfalls in implementation. The budget problems in Stuttgart do not seem to be as detrimental to the EXPO test as projected, and have not prevented supervisors from using the pay banding flexibilities to tie compensation to performance.

B. Recruitment and Placement:

2. Baseline Study Results. Baseline study interviews indicated that managers were very pleased with the staffing authorities and options provided in the EXPO system and, in conjunction with the pay setting provisions, they anticipated a positive impact on attracting and retaining quality personnel. During the baseline study, many managers cited dissatisfaction with some of the procedural processes in filling jobs, e.g., qualification determinations and time-in-grade requirements. They attributed some of the problems to the system, but also felt the CP Offices were too rigid in their interpretations of the system requirements. With EXPO, managers felt that they would have the flexibilities to tailor recruitment activity to the needs of their organizations and the jobs to be filled. They liked the option of being able to do their own recruitment (i.e., establish areas of consideration, determine qualifications, and set pay), or continue to enlist the services of the CP Office.

Overall, they felt timeliness and quality would improve, but the extent of benefits would depend on the types of jobs being filled, the availability of candidates in the labor market and money available for higher pay. Managers in Heidelberg were more optimistic than those at Stuttgart, regarding the successful implementation of the EXPO staffing authorities. This was due, in part, to the perceptions by the Stuttgart managers that insufficient budget authority would be delegated to them to properly exercise the new pay setting options.

b. Mid-test Evaluation Results. Similar to baseline study results, managers at both Heidelberg and Stuttgart continue to be extremely satisfied with the recruitment and hiring authorities delegated to them under EXPO. With the pay banding and pay setting provisions of EXPO, eighty-five percent of the managers indicated that EXPO procedures facilitate recruitment and retention in tight labor markets. Almost all of the managers indicated that they have sufficient authority to fill their jobs and, in fact, had made use of some of the various staffing authorities and flexibilities. The authority to determine qualifications and the area of consideration for advertising positions was cited as the most beneficial authorities by the managers. The authority to determine which employees to retain during work force reductions was perceived as less beneficial due to limited use. Managers overall assessment of the EXPO staffing changes and authorities in comparison to the traditional system is reflected below.

Recruitment and Placement System

	Traditional			EXPO		
	U	S	O	U	S	O
Heidelberg	4	10	0	1	9	13
Stuttgart	5	8	1	1	16	3
Total	9	18	1	2	25	26

At Heidelberg, managers are significantly more proactive in exercising their recruitment authorities than management at Stuttgart. During the first year of the test, Heidelberg managers filled approximately 60 percent of their recruitment actions. This is directly attributed to the greater emphasis by the CP Office to shift ownership of the recruitment process to supervisors.

At Stuttgart, management recruitment activity is limited in comparison to Heidelberg (only 8% of recruitment actions filled by supervisors). Although managers expressed some concern over the increased workload associated with doing their own recruiting, their greatest concerns were ensuring that regulatory requirements (particularly priority preference considerations and preemployment checks) connected to filling jobs were properly met. Thus, Stuttgart management, unlike that at Heidelberg, opted to do less recruitment due to the administrative burdens and the lack of proactive encouragement by the Stuttgart CP Office. The leadership of the NAF CP Office has recently changed and Stuttgart management has become more active in the recruiting process. The development of a recruitment handbook by Stuttgart management is further evidence that managers intend to become more involved in recruitment.

The time required to fill jobs has reportedly decreased significantly at Heidelberg and Stuttgart. As of mid-test, the average fill time at Stuttgart was reduced by 11.5 days to 39.5., and that at Heidelberg by 29.5 days to 24.5. However, in reviewing CP Office performance only, Stuttgart reflects a lower fill time (41.5) than Heidelberg (47.2). Both locations report expeditious management fill time (Heidelberg 10.1; Stuttgart 15.0). Although the reliability of the baseline data and the methods used to measure timeliness are questionable, managers at both test sites believe recruitment timeliness has improved substantially under EXPO. Although their assessment of quality is not quite as positive as timeliness (particularly at Stuttgart), they nonetheless believe that the quality of candidates overall has been better. In questionnaires administered by HQ USAEUR, there were increases of about five percentage points at Heidelberg and Stuttgart in response to the question the "recruiting process helps me to hire the best qualified people". Frankfurt responses went the opposite direction and were considerably less favorable. Also, responses to a statement regarding satisfaction with quality and availability of candidates referred for vacancies strongly favored the NAF EXPO process with 43 percent (versus 34 % baseline) in agreement at Heidelberg and 24 percent (versus 19 % baseline) at Stuttgart. This is attributed primarily to the pay setting and pay for performance features of EXPO.

As of mid-test, the actual on board strength has remained relatively stable at the two test sites (Heidelberg +8%; Stuttgart -8%) and Frankfurt (-3%). The strength increase at Heidelberg is attributed mostly to added manpower for the child development function and a higher fill rate due to more expeditious recruitment by management. However, a more important trend is the substantial use of permanent employment at Heidelberg, while appointment categories at Stuttgart and

Frankfurt changed much less. Specifically, while temporary appointments have reportedly decreased from 379 to 97, the number of regular (or permanent) appointments has increased to 671 (173 or 34.7% above the baseline). Although this has increased benefit costs in certain NAFIs, management believes this cost has been offset by increased retention of employees and improved customer service (See paragraph II.F., Fund Profitability and Other Indicators of Business Success).

The data on selection of priority candidates shows that the number of current NAF employees selected at Heidelberg has increased by 17 percent over the baseline experience, while remaining stable at Stuttgart (+2%) and Frankfurt (+2%). One possible reason may be the more active recruitment efforts by Heidelberg management who may be using a narrower area of consideration and less restrictive qualification determinations in filling their jobs.

C. Management-Employee Relations:

a. Baseline Study Results. During the baseline study, managers were generally satisfied with the traditional system in dealing with disciplinary problems and employee dissatisfaction but felt that the EXPO changes would be an improvement and would satisfy most of their concerns with procedures, timeliness, and cost. Although managers are not required to obtain advisory services from the CP Office during EXPO, most indicated they would. Seventy five percent of the managers felt that EXPO did not have sufficient regulatory/legal compliance safeguards for employees in case managers fail to do "what is right." At Stuttgart, the concern was geared more to potential abuse by managers in terminating employees. At Heidelberg the concern was focused more toward the possible complaints, litigation, and congressional actions associated with terminations, e.g., inconsistencies by managers and supervisors in applying penalties for essentially the same offense.

b. Mid-test Evaluation Results. Most managers and supervisors still consider the EXPO system to be an improvement over the traditional system of dealing with employee discipline and performance problems and resolving grievances.

Their overall assessment gave the EXPO system somewhat better marks.

Management-Employee Relations System

	Traditional			EXPO		
	U	S	O	U	S	O
Heidelberg	2	8	2	1	13	9
Stuttgart	2	9	3	0	14	4
Total	4	17	5	1	27	13

Although many managers feel that the EXPO system is easier, faster, and more flexible than the traditional system, only about one-third have had any experience with adverse actions, grievances, appeals, or complaints. In fact, the frequency of such cases has decreased during the test period. Specifically, twenty-eight disciplinary actions occurred at both test sites in the first year of EXPO compared to forty-five during the baseline period. At Heidelberg, only 16 disciplinary actions (53% of BL) have been taken with 11 of those occurring in the first quarter. By type of action, the number of suspensions is up (10 versus 6 BL) and the number of reprimands and separations for cause is down. Because the system now vests additional authority in the hands of managers, they may be more apt to confront employees with suspensions initially rather than reprimands. The performance at Stuttgart is only slightly different than that of Heidelberg in that 12 disciplinary actions (80% of BL) have been taken as of the end of the first year. In contrast, the number of disciplinary actions taken at Frankfurt has increased slightly (19 versus 17 BL). When compared to baseline experiences, there is no apparent significant trend in the type of actions taken at either Stuttgart or Frankfurt. During management and employee group interviews, some possible reasons surfaced as to why the system changes have resulted in fewer disciplinary actions being taken at the test sites. Several managers believe that fewer problems are occurring because they are now able to select better employees (who are applying for positions in areas where they want to work). On the other hand, employees feel that the system favors supervisors in disputes and, as a result, many employees resign when advised of disciplinary problems.

Few business oriented personnel actions have been taken at the test sites, although this is a key feature of the system. Favorable economic conditions in Non-appropriated Fund Instrumentalities precluded extensive activity in this area. Of the five business oriented actions taken, Heidelberg had only one (a performance based separation) and Stuttgart had four involving two performance based and two business oriented actions (changes to lower grade and separation).

Office during the EXPO test, most management officials indicated that they still rely on the technical expertise of the MER staffs at both test sites. HQ USAREUR reviewed 17 disciplinary actions for the two test sites for regulatory propriety and found the procedures used were correct in all cases and documentation adequate.

RECOMMENDATIONS:

HQ USAREUR

1. Consider establishing "NAF Ombudsman" positions at test sites, as recommended by HQ USAREUR.

HQ USAREUR and Heidelberg Management

2. Monitor future complaint activity, particularly EEO complaints to identify any trends and causative factors.

D. Performance Management:

a. Baseline Study Results. As noted in the baseline study report, managers and supervisors were very positive concerning the bonus and pay adjustment features of NAF EXPO. They strongly felt that the EXPO reward and salary adjustment changes would give them greater flexibility to recognize high performers and would result in better retention of high quality employees. However, notwithstanding the generally positive management reactions to the EXPO performance recognition system, managers felt that: it would be more difficult to rate employees and justify awards, since only employees who receive "excellent" ratings can get performance increases; and the three adjective rating levels under EXPO may discourage many "good" employees and encourage inflated performance ratings.

b. Mid-test Evaluation Results. As reflected in the baseline study results, managers and supervisors continue to view the bonus and pay adjustment features of EXPO as a significant improvement over the traditional performance recognition system.

Performance Management System

	Traditional			EXPO		
	U	S	O	U	S	O
Heidelberg	0	11	1	3	11	8
Stuttgart	1	10	3	1	15	3
Total	1	21	4	4	26	11

They are most positive about the reward and salary adjustment features which, in their opinion, give them greater flexibility to recognize high achievers and retain excellent employees. They are least positive about the performance rating system and performance standards.

Despite their dissatisfaction with the performance rating system, managers like, and are increasingly using, the EXPO changes that allow them to rate and recognize excellent employees after any reasonable period of time on the job. Also, the first year test data, although incomplete, shows that both test activities have used bonuses and performance increases extensively to reward their employees. It is difficult to compare the number of such payments made during EXPO, since no pre-EXPO data exists on the number and percent of within-grade increases (WGI) granted. (Performance increases are a replacement for both WGIs and quality step increases (QSI) while bonuses supplant the sustained superior performance (SSP) awards.)

A recent request from Heidelberg to HQ USAREUR for a change in performance rating levels from three to five reflects management's continued disenchantment with this aspect of the test. Although EXPO system changes have not resulted in a significantly more inflationary performance recognition pattern, the number of high performance ratings (HPR) continues to be inflated.

High Performance Ratings

	<u>Baseline</u>	<u>Test Year</u>
	<u>Excellent/</u>	<u>Excellent</u>
Heidelberg	74	81
Stuttgart	88	89
Frankfurt	59	77

Managers still believe that the test procedure encourages inflated ratings, and feel that an intermediate rating level between "satisfactory" and "excellent" would best serve their performance management needs. Since the performance appraisal should serve the purposes of performance management as well as pay for performance, the evaluation team agrees with the assessment of management. If HQDA approves a change, managers want and should have the option to provide rewards to all high performers rather than just those who receive "excellent" ratings. Also, in regard to conveying job expectations, over half (21 of 39) of the managers interviewed believe written performance standards beyond those in the position guide are needed. Although the goal of simplification is desirable, it does not meet management requirements in some cases.

F. Fund Profitability and Other Indicators of Business Success:

2. Labor Cost Analysis. Total labor for Heidelberg and Stuttgart increased \$1,639,115 or 14.1 percent. Meanwhile, total revenue increased by \$7,203,885 or 24.5 percent. Overall, labor costs as a percentage of revenue declined from 39 to 36 percent. However, a comparison of labor cost to purified (labor generated) revenue indicates that Heidelberg costs are up three percent. The following chart shows the trends in labor/revenue percentages by individual funds.

	<u>Labor Cost As % Of</u> <u>Total Revenue</u>		<u>Labor Cost As % Of</u> <u>Pure Revenue</u>	
	<u>Base</u>	<u>EXPO</u>	<u>Base</u>	<u>EXPO</u>
Heidelberg CMWRF	32%	---> 32%	45%	---> 47%
Vehicle Registry	37%	---> 41%	39%	---> 44%
266th Finance	93%	---> 83%	178%	---> 172%
Stuttgart CMWRF	41%	---> 35%	49%	---> 46%

Net income before depreciation (NIBD) for Heidelberg CMWRF increased 129 percent during the test year from \$343,805 to \$789,032. That, of course, is a positive sign but should be interpreted in light of any increased charges which might have been passed on to customers.

3. Other Indicators of Business Success. While profitability is important in the management of all revenue generating businesses, there are other indicators of business success that may not have a direct or traceable impact on the bottom line. These may be improved service, expanded operations, or reduced administrative problems. For example, Heidelberg CMWRF opened up three new child care facilities, thus better meeting the needs of its customers. At the same time, increased pay and benefits in this area may have been offset by reduced turnover and training costs. Reportedly, turnover has initially changed from about 333 percent to about 160 percent. Since there is mandatory training associated with employing new Child Care Givers, training costs have correspondingly decreased - estimated to be a savings of \$76,950 per year. Managerial recruiting of workers has reduced the time it takes to fill positions impacting positively on the fill rate. Since staffing levels control the number of children that can be cared for, the percentage of facility utilization has been improved.

Other success stories include the turnaround of the Heidelberg Club, attributed to the ability under EXPO to hire quality personnel in the areas of food preparation and service. Vehicle Registration reports that the ability to hire better workers and retain them longer has resulted in the reduction of vehicle registration processing time - from three weeks to two. If improved performance is indeed related to NAF EXPO, their initial 15 percent increase in labor costs could be offset by savings if action is taken to correspondingly reduce manpower. Other data furnished to the team does not reflect any reduction of staff (i.e., there were increased manhours and no apparent reduction in

new appointments during the test year). Perhaps the improvements in customer support are more related to the increased resources. The 266th Theater Finance reports the perception of improved work quality, productivity and morale, resulting in decreased customer complaints, improved timeliness in financial statements (reduced from 30 to 15 days), and about 10 percent fewer personnel needed to perform the same work. They attribute these improvements to flexibility to determine qualifications (thus improved hiring) and pay for performance. (As in the case of Vehicle Registry, the reduction in staff is not clearly reflected in the other personnel and manpower data reported, but may show up in the second year of the test.) Both Heidelberg and Stuttgart report the time and frustration saved in taking administrative actions now that managers are not restricted by some of the rules and procedures used in the old system. Also cited is the comparative ease in handling the payroll (for both managers and payroll office) under NAF EXPO.

APPENDIX F

**UNITED STATES ARMY, EUROPE NONAPPROPRIATED FUND EXPERIMENTAL
PERSONNEL OFFICE, FIRST YEAR ASSESSMENT**

UNITED STATES ARMY, EUROPE

USAREUR

NONAPPROPRIATED FUND

NAF

EXPERIMENTAL PERSONNEL OFFICE

EXPO

FIRST YEAR ASSESSMENT

HQ USAREUR
DDCSPER, CPD

MAY-JUNE 19

FOREWORD

At the request of the Army Chief of Staff the DA Inspector General conducted a worldwide survey of the Civilian Personnel Program in 1985-86. In his report to the Chief of Staff, the IG stated that "the inspection revealed an ineffective and inefficient system clogged in a complex maze of laws and regulations and failing to provide the service expected by its customers". The Chief of Staff directed that the DA DCSPER set up a task force to develop an action plan to fix the Civilian Personnel Program. The task force had two sections, one for appropriated fund fixes and one for nonappropriated fund fixes. USAREUR had a full-time representative on the nonappropriated fund section. That section was charged with developing and testing an optimum personnel system for NAF - it was to be simple, be business oriented, and provide maximum authority and accountability to managers. After an extensive survey of hospitality industry personnel systems the NAF section put together a concept for a new system. The concept was approved by the task force steering committee. The USAREUR representative on the task force brought the concept to USAREUR and after approval by the CINC, proceeded to develop a detailed proposal for testing. After protracted (Dec 86 - Jan 88) negotiations with the DA Staff, approval was received from OSD to implement a two year test not later than 1 April 1988. Heidelberg and Stuttgart were approved by HQDA as test sites - Frankfurt was designated the control site. A stand alone regulation for EXPO was published, baseline data for the year preceding 1 April 1988 were assembled, and attitudinal and organizational climate surveys were administered to all supervisors and employees involved in the test. The same group was then trained in the operation of the new system. NAF EXPO requires quarterly analysis that starts at the community level with an evaluation committee at both test locations chaired by the respective Deputy Community Commanders. Their reports are reviewed and consolidated at USAREUR and then forwarded to HQDA and to OSD. Thus far, four such quarterly reports have been sent to HQDA/OSD. The first-year on-site assessment report, which follows, is an integral part of the overall NAF EXPO evaluation process.

SUMMARY

Managers and supervisors are using the delegated authorities and management prerogatives contained in EXPO and this usage increases over time as managers and supervisors gain additional knowledge and experience with EXPO.

Seventy-six percent of Heidelberg's managers and supervisors have done direct recruiting and slightly fewer (68%) of Stuttgart's managers and supervisors have recruited to fill vacancies. Managers and supervisors at both Heidelberg (42%) and Stuttgart (26%) were more reluctant to classify jobs, however, neither group displayed any appreciable reluctance in their use of EXPO's paybanding and salary increase/performance bonus provisions.

The potential for large increases in employee grievances anticipated at the outset of EXPO, due to greatly increased management authorities and independence of action, did not materialize. Also, disciplinary actions taken in EXPO's first year were actually fewer in number than the year prior to EXPO.

The considerable effort devoted to training managers, supervisors, and employees prior to EXPO implementation proved both essential and beneficial. A need for additional and/or refresher EXPO training was emphasized by managers and employees alike.

Managers and supervisors gave very high marks to the Heidelberg and Stuttgart CPO's for quality assistance provided during the EXPO test. On a 1 (low) to 10 (high) scale, Heidelberg CPO was rated 8.2 and Stuttgart CPO 7.9.

Finally, the real test of EXPO's acceptance by managers, supervisors, and employees is found in their response to the question "do you recommend continuance of EXPO?" Overall, 92% of managers and supervisors, and the vast majority of employees responded in the affirmative. Tied to that response in many instances were suggestions for EXPO improvements, primarily in modifications to EXPO's performance evaluation and, to a much lesser extent, EXPO's grievance procedure.

HEIDELBERG COVERAGE

The total USAREUR NAF population in Heidelberg is under the EXPO personnel system. As of 31 May 89, this population consisted of 803 civilian personnel assigned to the following 6 NAFI's: U.S. Military Community - Heidelberg (USMC-H), Community and Family Support Agency (CFSNA), Vehicle Registry, 266th Theater Finance Center (266th TFC), Boy Scouts (BS), and Girl Scouts (GS). The percentage of total population in each NAFI is: USMC-H 61%, CFSNA 14%, Vehicle Registry 14%, 266th TFC 9%, BS 1%, and GS 1%. With regard to chain of command: the DCC, USMC-H, reports to the USAREUR DCINC who is the Heidelberg Community Commander; the Director, CFSNA, reports to the USAREUR DCSPER; the Registrar, Vehicle Registry, reports to the USAREUR Provost Marshal; the Commander, 266th TFC, reports to the USAREUR DCSRM; and the BS and GS elements report to their respective headquarters in CONUS.

Structured management interviews were conducted with: the DPCA, Division/Branch Chiefs, Club Managers, and Child Development Center Directors in USMC-H; the Director, Deputy Director, Division/Branch Chiefs in CFSNA; the Registrar, Deputy Registrar, and Division Chiefs in Vehicle Registry; and the Commander and Director/Division Chiefs in 266th TFC. Supervisor/employee questionnaires were administered in each of the foregoing NAFI's and employee group sessions were held in CFSNA, Vehicle Registry, and 266th TFC. Additionally, the NAF functional programs in the Heidelberg Community CPO were evaluated.

HEIDELBERG MANAGEMENT INTERVIEWS

An overall total of 33 commanders/managers/supervisors were interviewed in Heidelberg (13 USMC-H, 7 Vehicle Registry, 4 266th TFC, and 9 CFSA). Fifteen of those interviewed are NAF, 10 are APF, and 8 are military officers. The levels of management represented ranged from first line supervisor thru activity commander. Work forces managed/supervised ranged from a few to several hundred employees. Current position tenure ranged from 10 weeks to 16 years. (As a convenience, the term manager will be used hereinafter to describe all interviewees.)

Twenty-five managers (76%) had done some direct recruiting and, of those, 10 believed they had gotten higher quality candidates than would have resulted from recruiting action by the CPO. Direct recruiting was at its highest in USMC-H (12 of 13 participated) and lowest in CFSA (4 of 9 participated). Managers were very complimentary of the EXPO recruiting process and had no substantive recommendations for change. Several managers did recommend the development of a "how to" handbook on recruiting which, they allowed, would likely cause even greater management involvement in the EXPO recruiting process.

Only 14 managers (42%) ventured into EXPO's grade classification arena. Again participation was greatest in USMC-H with 8 managers having made changes in the grades of some of their employees. Managers' opinions on the EXPO pay banding and classification system ranged from "without question the best feature of EXPO" and "the only way you can run a business", to observations of system abuse. One manager expressed doubt as to validity of the premise "given the knowledge and opportunity, military and civilian managers will do what is right" as it relates to grade and pay setting. Several managers expressed concern that this area offered great potential for managers to exercise favoritism. In any event, the manager's prerogative to grant base salary increases and performance bonuses to excellent performers is well utilized, with 30 managers (92%) having given salary increases, 22 managers (67%) granting performance bonuses, and 8 managers (24%) giving an employee both a salary increase and performance bonus. The breakout by NAFI is:

AND % OF MANAGERS GRANTING

	<u>SALARY INCREASE</u>	<u>PERFORMANCE BONUS</u>	<u>BOTH</u>
USMC-H	12 (92%)	8 (62%)	3 (23%)
VEH REGISTRY	6 (86%)	6 (86%)	1 (14%)
266TH TFC	4 (100%)	4 (100%)	1 (25%)
CFSA	8 (89%)	4 (49%)	3 (33%)

Eighteen managers (55%) took some form of disciplinary action during the EXPO period and 11 managers (33%) said one or more of their employees used the EXPO grievance procedure. Although there was only one EXPO business oriented action in the Heidelberg area, 15 managers (45%) claim to fully understand the purpose and process of business oriented actions.

Perhaps the best test of EXPO acceptance is found in the manager's response to the question, "Do you recommend continuance of the EXPO personnel system?" A resounding 32 managers (97%) said yes, often fortifying the affirmative with words such as "absolutely" and "definitely". The remaining manager didn't respond in the negative, but rather recommended a system which blends EXPO and certain parts of the AR 215-3 traditional personnel system. Asked if they would recommend any changes to EXPO, 28 managers (85%) spoke to the need for change in EXPO's performance rating levels, stating the need for a level between satisfactory and excellent which, at the manager's option, would allow the granting of a monetary award (salary increase or bonus). Some of the 28 managers also recommended the addition of a rating level between satisfactory and unsatisfactory, in effect a return to the AR 215-3 system. Failure to at least add the additional positive rating level would, according to many managers, treat better than satisfactory (but not superlative performers) inequitably (no above average employee wants to come to work day after day with no hope of reward), and/or pressure managers to be ultra liberal (less than honest) in rating their employees. By NAFI the percentage of managers recommending this change are: Vehicle Registry 100%, 266th TFC (100%), CFSAs (89%), and USMC-H (69%). The other change recommended by 5 managers (15%) is the use of USACARA in the EXPO grievance procedure.

With regard to the need for additional training in the EXPO system, responses by NAFI are as follows:

NEED ADDITIONAL TRAINING

	<u>YES</u>	<u>NO</u>
USMC-H	11 (85%)	2 (15%)
VEH REGISTRY	5 (71%)	2 (29%)
266TH TFC	3 (75%)	1 (25%)
CFSAs	7 (78%)	2 (22%)
TOTAL	26 (79%)	7 (21%)

<u>IN THE AREAS OF</u>	<u>USMC-H</u>	<u>VEH REGISTRY</u>	<u>266TH TFC</u>	<u>CFSAs</u>
TOTAL EXPO (to include refresher course)	7 (21%)	4 (57%)	2 (50%)	6 (67%)
CLASSIFICATION	2 (15%)	1 (14%)		
RATING APPLICATIONS		1 (14%)		
DISCIPLINE/GRIEVANCES	1 (8%)			
RECORDS MAINTENANCE (9 recruitment actions by mgr)	1 (8%)			
AFFIRMATIVE ACTION			1 (25%)	

Finally on a scale of 1 (low) to 10 (high) managers were asked to rate the assistance provided by the Heidelberg CPO under EXPO. The overall average is 8.2, with individual NAFI scoring: USMC-H 9.0, Vehicle Registry 7.7, CFSA 7.6, and 266th TFC 6.7. Six USMC-H managers were very complimentary regarding the service and assistance provided by the Chief, NAF Branch, HCCPO, using such descriptors as "outstanding assistance", "complete responsiveness", and "very knowledgeable". Managers in the community's Family Support Division (FSD) were especially appreciative of the NAF Branch Chief's voluntary participation in the FSD's evening seminars for child care personnel.

HEIDELBERG EMPLOYEE GROUP SESSIONS

COMMUNITY AND FAMILY SUPPORT AGENCY

All employees in the session had current performance standards, however, none had participated in the development of the standards. Each employee had been rated at least once during EXPO's first year and one employee had received four performance ratings. All employees recommended development and publication of criteria for excellent ratings and a yardstick for determining equitable amounts of salary increases to go with excellent ratings. The employees were particularly concerned that only those rated excellent were eligible for monetary increases and spoke to the need for additional rating levels or the granting of salary increases to employees who are successful in their job performance. Some mention was made of rater-approver conflict in the performance evaluation process and that favoritism was evident in the granting of rating levels and rewards.

Some employees were concerned with what they perceived as lack of open competition for promotions and the absence of advertising for fill of vacancies. Also, concerns with lack of opportunity for career development and advancement and a "shotgun" approach to employee training were mentioned. None of the employees had participated with management in any training needs survey. Employees were not aware of EXPO's grievance procedure but when the procedure was explained to them, the group was unanimous in recommending a change to the procedure to allow for outside, third party review/investigation.

Some employees stated a need for additional training in EXPO and one employee mentioned that at the start of EXPO employees' training consisted of a few hours and that only the positive aspects of EXPO were presented. When asked if EXPO personnel system should be continued, the majority responded in the negative. All employees agreed that EXPO is a good system for money-making elements such as bowling alleys and clubs, but is not well suited to staff level organizations.

Several reorganizations ("5 in 5 years") and recent frequent changes in the organization's top manager position were employee concerns that most likely influenced employee perceptions and experiences with EXPO.

VEHICLE REGISTRY

Eighty per cent of the employees were very pleased with the EXPO personnel system. They had received performance appraisals during EXPO and were given at least one salary increase or performance bonus. Favorable comments made included: "Doesn't take as long (as the old system) to keep our jobs filled"; "Provides full staffing which we never had before"; and "As long as you work hard and try your best, it is a good system". The negative position expressed was based on personal experiences during EXPO's first year including dissatisfaction with supervisor application of the performance evaluation system, the tendency of management to show favoritism in a system which offers no redress for the employee, i.e., management will support supervisors.

The majority of the employees recommended continuance of EXPO with changes in performance evaluation (addition of level between satisfactory and excellent) and the grievance procedure (allowing outside investigation/review). Even the negative position allowed as to how the EXPO system is good but needs improvement in its management.

266TH THEATER FINANCE CENTER (TFC)

Employees participating in the group interview at the 266th TFC were concerned about the restrictions placed on first line supervisors with regard to performance ratings, bonuses and pay increases. First line supervisory ratings were overruled and bonus and pay increase recommendations were reduced in amount. They also felt that many managers were poorly trained or lacked supervisory ability. There was a perception among the group that the significant bonuses and pay increases went to managers and that low level employees received raises that were not significant in amount. They also felt that morale in general was very low. However, only one of the seven had applied for a job outside the organization and that person declined when the job was offered. The group generally felt that the EXPO system needed more checks and balances or a neutral third party to ensure that personnel management decisions were not based on personality or favoritism.

HEIDELBERG EXPO PROGRAM REVIEW

POSITION AND PAY MANAGEMENT

The Heidelberg CPO, NAF Division is providing outstanding EXPO position and pay management support to serviced activities. Managers are preparing job guides independently and determining the payband. They also set the pay within the payband range. Guidance is provided by the CPO when requested, however, no guidance is required in most cases. Managers were provided with an index of the ladder diagram which is updated every six months. The position guides in the ladder diagram are readily available in the CPO to all managers. The community representatives decided that this centrally maintained diagram is sufficient. A complete review of the position guides revealed that guides are being properly written and maintained. A few guides did not contain performance standards and/or training requirements. This information is available in the organization and should be added to the guides. The CPO is doing an exceptional job in this area. The success is attributed primarily to the excellent training prior to the implementation of EXPO.

RECRUITMENT AND PLACEMENT (R&P)

Examination of records for regulatory, policy and procedural compliance was limited to 9 EXPO recruiting actions. Three completed by CPO and 6 by managers.

Paragraph 2-4b(1)(g) of the EXPO Regulation requires managers who initiate recruitment to obtain CPO clearance in filling positions at pay band 3 and below to ensure there are no military spouses or family members applicants registered with the CPO for the same or similar positions, before making a final selection. There was little evidence that managers are complying with this requirement.

Management issues vacancy announcements and, if requested, CPO provides a "courtesy" list of qualified candidates with copies of their applications. The lists indicate which are family members or non-family members, but not which are military spouses.

CPO does not monitor manager's actions to assure that they are complying with legal or regulatory requirements, i.e., military spouse and family member preference, in making selections. CPO maintains that under the EXPO rules, since management has rated and ranked the candidates, management is responsible for complying with legal requirements in making selections; that their actions are not subject to review for compliance by the CPO before the selected candidate is appointed.

In 5 of the 6 management recruitment actions, all for positions at pay band NF 3 or below, non-family members were selected, none of whom appeared on the lists furnished by the CPO. There were no records available in the CPO to permit an audit of the legality of management's selections.

Acting for the appointment authority, the CPO has responsibility for ensuring that appointments meet legal requirements before they are finalized. Without auditable records to establish that management has, in fact, complied with legal requirements in making selections, CPO may be in an indefensible position, in the event of a challenge, for effecting an appointment on a management selection that subsequently proves to have been illegal.

Fill time is good with no undue delays in filling vacancies on the part of CPO or managers. It was noted, however, that DA Forms 4017, (Civilian Personnel Action Requests) submitted to the CPO on management recruitment actions were frequently dated one or two days preceding the actual appointment date of a selected candidate, indicating that DA Forms 4017 were not prepared at the time recruitment started, but after selection had been finalized. This distorts the fill rate time between management and CPO recruitment actions since recruitment time starts running on CPO actions from the dates on DA Forms 4017 submitted before recruitment actually starts.

With the exception of vacancy announcements issued by the Child Development Services, a "headline" type announcement, the majority of vacancy announcements issued by CPO or managers met all requirements.

Managers need more training and assistance in the "how to" of EXPO recruiting and a variety of training opportunities on Recruitment and Placement procedures are periodically made available by the CPO, but relatively few attend. Most training is accomplished by NAF personnel specialists during on site visits to managers.

TECHNICAL SERVICES (TSD)

Review of documentation in the 9 cases examined did not reveal any errors. Automated preparation of DA Forms 3434 showed full understanding of the codes and all entries on the form were correct and complete.

Self audits are conducted periodically and any errors discovered are corrected immediately. Records are well maintained and secured. There were no extraneous documents in the files needing purging.

Payroll documents are submitted to the 266th TFC on a timely basis and very few complaints have arisen resulting from delayed receipt of pay or allowances.

Group processing of new employees are completed during predesignated periods to permit better utilization of time than would be experienced if individual processing occurred on a daily basis.

The R&P and TSD functions are satisfactory. The following recommendations are made:

- Develop or acquire and maintain documents that will provide an audit trail of recruitment actions completed by managers. As a minimum, obtain a copy of the document managers use as a referral list with their rationale for selections made.
- Gain command support for greater participation in the training courses offered to improve managers' understanding of their responsibilities under EXPO.

MANAGEMENT-EMPLOYEE RELATIONS AND TRAINING

Approximately 65% of the regular/permanent full-time/part time NAF workforce received performance ratings under EXPO. The vast majority (80.8%) was rated excellent, 18.5% were rated satisfactory, and less than 1% was rated unsatisfactory. This imbalance is attributed to the mechanics of EXPO's performance evaluation system, i.e. an excellent rating is needed to be eligible for monetary rewards. Of the 304 monetary awards given during EXPO's first year, 21.7% were for bonuses of 15% or less. No bonuses of more than 15% were given. By comparison, performance rating distribution in the baseline year was: 71.4% outstanding/excellent; 28.6% satisfactory/minimally satisfactory, and 0% unsatisfactory. Salary increases of 4% or less were given to 34.9% of the employees and 42.1% received increases exceeding 4%. Four employees (1.3%) received both a performance bonus and salary increase. First year EXPO awards distribution for all Heidelberg NAFI's is reflected below:

Number of Awards by NAFI/NF Grade

NAFI	SALARY INCREASE						TOTAL	PERFORMANCE BONUS						TOTAL
	I	II	III	IV	V	VI		I	II	II'	IV	V	VI	
CFSA	3	7	8	11		1	29	2	5	5	9	1	22	
Class VI	1		4	5	1	1	12		1	6	2	1	10	
DPCA	21	16	18	6	1		62	4	2	1	1		8	
GS	1	3	2				6							
266th	3	15	31	8			57	1		19	1		21	
BS		1					1							
Vel. Reg.	11	30	13	4	4		62	3	9	1		1	14	
TOTAL	37	68	75	31	17	1	229	8	13	27	13	12	2	75
% of Total	16%	30%	33%	14%	7%	<1%	100%	11%	17%	36%	17%	16%	3%	100%

With 79% of the salary increases and 64% of the performance bonuses going to the 3 lowest NF grades the above distribution, on an overall basis, appears well balanced .

An appreciable reduction in the number of disciplinary actions occurred during EXPO as compared to the baseline year:

	# Disc. Actions	# Written Reprimands	# Suspensions	# Separations for Cause
BASELINE	30	11	6	13
EXPO	16	3	10	3
DIFFERENCE	-14	- 8	+ 4	-10

Case files available in the CPO on nine of the above disciplinary actions were reviewed and found to be regulatorily and procedurally correct and the records were excellently prepared and maintained.

There were four grievances resolved by commanders during the first year of EXPO. Given the high degree of Heidelberg's supervisors and managers involvement in EXPO's direct recruitment and classification/paybanding processes, the number of actual grievances is much below pre-EXPO anticipated results. Two commander-decided grievance case files available in the CPO were reviewed and found to be in consonance with applicable EXPO procedures.

The NAF Division of the Heidelberg CPO provides training in the EXPO system and also periodically offers a complete NAF Supervisory Development Course. The Training and Development Division of the Heidelberg CPO has responsibility for all other MWR training in Heidelberg's NAFI's. In the latter case, the NAFI's receive the full range of quality service equal in all respects to that accorded APF organizations. Working relationships between the T&D staff and NAFI management are very good as is the case with the NAF Division staff and NAFI management. Both CPO organizations are to be commended for their service to NAFI's in the training area. A suggestion offered by the CPO for improvement in USMC-H has to do with the need to streamline/expedite the processing of training requests in that organization. Using the multi-level approval procedure currently in effect sometimes results in the CPO's receipt of an approved request for training after the training has been completed.

STUTTGART COVERAGE

An average of 694 (46%) of the Greater Stuttgart Military Community's (GSMC) total NAF workforce (approximately 1500) are covered under USAREUR NAF EXPO. The bulk of the EXPO covered NAF population is organizationally located in GSMC's Directorate of Personnel and Community Activities (DPCA). The rationale for limiting the coverage of EXPO was based on the widespread geographic locations of the total NAF workforce serviced by the GSMC CPO.

The evaluation of the EXPO program included individual interviews with the Community Commander, the Deputy Community Commander, the DPCA, the ADCFA, all the DPCA division chiefs (5), and a group of lower level supervisors in the clubs, hotel, child care centers, golf course, and arts and crafts. Nonsupervisory employees were also interviewed. In addition to the interviews, the Army attitude and Navy organizational climate surveys were administered to 200 employees and supervisors. Each of the NAF Civilian Personnel Office program areas was also evaluated.

STUTTGART MANAGEMENT INTERVIEWS

Individual interviews were conducted with 20 managers/supervisors in Stuttgart. Of those, 9 are appropriated fund (APF) and 11 are nonappropriated fund (NAF). One of the managers had only been on board for 4 weeks and was not included in response tabulations. Those interviewed represented all levels of supervision and included all the major functions. Employees supervised ranged from a low of 2 to a high of 850. NAF supervisors tended to be more stable than their APF cohorts. Three of the NAF supervisors had 5 or more years in their current job while only one APF supervisor had 3 years. Most (5) had less than one year. 12 of the total group had done some direct recruitment. Of those, one was a worldwide area of consideration with the remainder limited to the Stuttgart MILCOM. Almost all managers indicated a need for further training in recruitment procedures and greater advisory service from the CPO. Many were reluctant to do their own recruitment because they didn't feel confident of their knowledge of the system. There was also little encouragement from the CPO for managers to do their own actions.

In the classification area 5 of the 19 supervisors had had occasion to change the classification of their subordinates' jobs. The EXPO Ladder Diagram appeared to have been retained in the CPO and if a supervisor took the initiative to classify a job he had to go there. Most (14 of 19) thought that the pay band and classification system was good. There were recommendations for better marketing of the system and for allowing lower level supervisors to make pay band decisions. Position guides seemed to be available, however, as indicated in the section under CPO program coverage, they do not meet EXPO requirements. As with staffing, there was little encouragement from the CPO for managers to do their own classification. Ten of the supervisors had given cash bonuses and eleven had given base salary increases. Several commented that pre-EXPO developed budgets did not permit bonuses or other pay increases. Under the Stuttgart system division chiefs are permitted to give bonuses or pay increases of up to 6% of base pay if they have the money in the budget. If 6% or above the Performance Review Board must approve. Five managers had used the flexibility in the EXPO system and given both cash bonuses and salary increases.

Six of the 19 supervisors had occasion to use the EXPO disciplinary procedures. Offenses included insubordination, profanity in the presence of children, absence without leave, drinking on duty, cash register shortage, fighting, abuse of sick leave. No problems were reported in using the EXPO procedure, however, one manager recommended that managers be given more authority for discipline. That manager also felt that the EXPO procedure did not really differ from the traditional system. This may mean that more training is required or that authority to act is being held at too high a level. Another supervisor who had not used the EXPO procedure commented that his employees tended to leave when they were advised of disciplinary problems.

Five of the 19 supervisors had used the business oriented personnel action procedure to make adjustments in their work force. Actions involved reduction in work hours from full time to part time and reassessments to other activities due to reductions in business volume. Users viewed this procedure as a good option. Two supervisors were not aware of the procedure and did not know how it worked. Training and coaching is indicated. Three supervisors reported cases where employees used the EXPO grievance procedure. In three of the cases employees dropped their grievance during the informal stage. In one case the employee grieved a letter of reprimand and separated when his grievance was denied. Management reaction to the procedure was very favorable.

Sixteen of the 19 interviewees recommended continuance of the EXPO personnel system. There were a variety of comments and recommendations accompanying their recommendations. Most centered around the need for more training and encouragement from the CPO as well as the development of "how-to-do-it" check lists for managers on the various types of actions. Several recommended adding another performance level above satisfactory.

Stuttgart managers' responses to the need for additional training in the EXPO system:

YES NO

14 (70%) 6 (30%)

IN THE AREAS OF

<u>TOTAL EXPO</u>	<u>R&P</u>	<u>DISC.</u>	<u>INC. AWARDS</u>	<u>CLASSIF.</u>	<u>GRIEVANCE/APPEALS</u>
3 (21%)	5 (36%)	3 (21%)	1 (7%)	1 (7%)	1 (7%)

Three managers stated that employees, rather than managers, were more in need of training in EXPO. Also, one manager recommended training in "what works well, what doesn't work" in EXPO.

Managers were asked to rate the assistance provided by the CPO under EXPO. The range of individual ratings was from 2 (low) to 10 (high) with an average of 7.9.

STUTTGART EMPLOYEE INTERVIEWS

Individual interviews were conducted with seven employees representing six different organizations. The employees range in grades NF I thru NF IV, and had tenure in their present positions ranging from a few months to several years.

Three of the employees hired during EXPO had not received training in EXPO and one of the three stated that very little information on EXPO was provided during in-processing by the CPO. The other employees who were on board prior to EXPO implementation had received orientation/training on EXPO. Four of the employees received a salary increase and one employee received both a salary increase and performance bonus during EXPO. The employees had no objection to the "excellent" performance rating prerequisite to gaining eligibility for receipt of salary increases/performance bonuses. Some employees perceptions of EXPO were that it served upper management levels well but that lower levels of management were restricted in its' beneficial use and that "it doesn't give power" to managers at lower levels. Paybanding was looked upon as a continuing incentive to do a good job whereas in the past (i.e. under the traditional NAF personnel system) one waited until step increase time was approaching before exerting extra effort to do a good job. Another employee, very enthusiastic about EXPO, allowed as to how EXPO would still be a good system if employees were given greater grievance protection, which was viewed as a needed change.

In general, the employees favored continuance of EXPO. One employee maintained that major changes (unspecified) were needed or else the EXPO system should be limited to money generating activities only. Another employee suggested that there is a need for having someone in CPO devoted totally and solely to EXPO - "an EXPO ombudsman." (In fact, such a position, vacant during the time period of this first year on-site assessment, was established in Stuttgart at the outset of EXPO. The position is resourced by HQ USAREUR Community & Family Support Agency. Action should be expedited to fill this essential position.)

STUTTGART EXPO PROGRAM REVIEW

RECRUITMENT AND PLACEMENT (R&P)

Review of regulatory, policy and procedural compliance was limited to 10 EXPO recruiting actions. Five completed by CPO and 5 completed by managers. Review indicates that adherence to rules was a priority and that basically the actions were proper. No significant findings. Greater efforts should be initiated to formalize record keeping particularly on actions completed by managers. There appeared to be limited written staffing guidance/SOPs. Some areas where written guidance may be helpful are military spouse preference, preemployment checks, and security clearances. Guidance and instructions are provided verbally which seems to be effective because of the size of the office and stability of key positions. Written guidance would be helpful for new employees and prevent loss of valuable information in the event of turnover.

Fill time is good with no undue delays in filling vacancies on the part of CPO or managers. Management assistance and interface is outstanding. Managers are pleased with service provided. Job information and developmental assistance is provided to employees in the form of handouts, counseling, bulletin board, publication of articles in the CPO bulletin and radio spots on "CPO TODAY". However, in spite of efforts management and employee interviews indicated that is a lack of knowledge and misconceptions regarding NAF EXPO. This indicates a need for the development and publication of manager and employee handbooks. Discussion with the staff reveal that handbooks are currently under development. Offered VII Corp's assistance in handbook development.

No major problems with the vacancy announcements issued by CPO or managers, and there were no errors identified in minimum qualification requirements or determinations. Referral and selection procedures are proper. Managers are not fully utilizing the options afforded under EXPO for recruitment and placement actions. Approximately 95% of recruiting actions under EXPO continue to be done by CPO. This is not in keeping with policy and the intent of EXPO. Some of the factors contributing to this situation are:

- Misinformation/misconceptions on the part of managers.
- Managers have not been encouraged/compelled by CPO and upper management to use more of the recruiting options under EXPO.
- Frustration on the part of managers when because of priorities or clearances they can't get the person they have recruited causes loss of interest in EXPO and recruiting responsibility is returned to CPO.
- Managers need more training and assistance in the "how to" of EXPO recruiting.

TECHNICAL SERVICES (TSD)

Sufficient quality controls are in place and review of 10 actions did not reveal any errors. Internal audits are conducted monthly and input from audits are used to correct errors and improve procedures. Record keeping is outstanding. Files are secured and access is controlled. The color coded system used to differentiate EXPO and non-EXPO records is excellent.

Employee benefit information is being disseminated to employees in a timely manner. Changes and other pay related actions are processed timely. The regulation library was in order and all clerks have a desk top SOP. Training sessions are conducted weekly to ensure that employees are aware of latest changes. Determinations on allowances are accurate and records are in order.

The Supervisory Personnel Assistant, NF-203-3 position in TSD, does not function as a lead clerk as indicated in the current position guide, but functions more as the chief of the TSD reporting directly to the chief of the NAF division. The incumbent is responsible for developing SOPs, providing guidance and training, and processes all allowances for the Stuttgart CPO and the Goeppingen and Heilbronn field offices. Further review is warranted because it appears that the duties performed by the incumbent exceeds the level and scope of responsibility depicted in current position guide.

The R&P function is satisfactory, and the TSD function is outstanding. Overall recommendations are:

- Conduct more training on NAF EXPO for managers, supervisors and employees.
- Develop and publish NAF EXPO R&P handbook for supervisors and employees.
- Develop written internal SOPs to delineate procedures for all EXPO functional areas.
- Conduct position audit of lead clerk, TSD for possible upgrading to chief, TSD.

POSITION AND PAY MANAGEMENT

The Stuttgart NAF Civilian Personnel Office is not providing adequate support to the EXPO position and pay management program. Managers have not been provided ladder diagrams and were required by the CPO to submit new position guides for CPO classification approval before they could be used. A 100% review of position guides for adequacy revealed that all but four were inadequate and did not meet EXPO requirements. Problems included attaching regular job sheets to the position guide form, failure to include performance standards, failure to specify training requirements and failure to list qualification standards. The NAF CPO is not performing their EXPO role in the position and pay management area. A concerted effort is required to redo all the inadequate position guides to provide ladder diagrams to key supervisors to allow managers to do their own classification in accordance with the EXPO regulation.

MANAGEMENT-EMPLOYEE RELATIONS AND TRAINING

Forty-six percent of the regular/permanent full-time/part-time NAF workforce received performance ratings under EXPO. The vast majority (88.6%) was rated excellent, 10.9% were rated satisfactory, and less than 1% was unsatisfactory. Given the fact that only excellent ratings carry the potential for salary increases and performance bonuses, and that absent an excellent rating the supervisor is unable to reward employees, the lopsided rating distribution is understandable. By comparison, performance rating distribution in the baseline year was: 88.1% outstanding/excellent; 11.9% satisfactory/minimally satisfactory; and 0% unsatisfactory. Of the 286 monetary awards given during the year, 39.1% were for bonuses of 15% or less, with only one bonus more than 15%. Salary increases equivalent to 4% or less were given to 8.7% of the awardees, while salary increases exceeding 4% were given to 50% of the total. Five employees (1.7%) received both a bonus and a salary increase.

NUMBER OF AWARDS BY NF GRADE

SALARY INCREASE							PERFORMANCE BONUS						
I	II	III	IV	V	VI	TOTAL	I	II	III	IV	V	VI	TOTAL
54	52	26	16	1		149	50	14	25	11	.1		101
% of TOTAL	36%	35%	17%	11%	<1%	100%	50%	14%	25%	11%	1%		100%

Disciplinary actions during EXPO were moderate in type and number and slightly below the baseline (i.e. the 12 month period immediately preceding EXPO):

	# Disc. Actions	# Written Reprimands	# Suspensions	# Separation for Cause
BASELINE	15	8	4	3
EXPO	12	6	4	2
DIFFERENCE	-3	-2	0	-1

Case files available in the CPO on eight of the above disciplinary actions were reviewed and found to be regulatorily and procedurally correct.

During supervisor/manager interviews there was no evidence that the supervisor's Handbook "Dealing with the Problem Employee" developed by HQ USAREUR, was made available to its' intended audience. The CPO should obtain copies and distribute them to NAF supervisors and managers.

Activity in the formal complaints and congressionals arena exceeded the baseline but in both years was relatively light (2 in baseline, 4 in EXPO). The EXPO cases consisted of 1 IG, 2 EEO and 1 congressional inquiry.

There were no grievances requiring the Stuttgart Commander's decision during the first year of EXPO. Prior to implementation of EXPO, it was anticipated that the delegations of authority to supervisors and managers, and management's prerogative to independently take action in the personnel area would have the potential for a great many grievances. To the credit of management's use of those authorities, that obviously that did not happen.

MWR training for the NAF workforce is administered very well by the Stuttgart CPO Training Division. Training of the NAF workforce on the EXPO personnel system is the responsibility of the NAF Division in the Stuttgart CPO. Considerable and very beneficial training was given prior to and during the early stages of EXPO. Interviews with managers and supervisors indicated a serious need for additional EXPO training for employees, covering the total EXPO program, and for mangers and supervisors with emphasis primarily on recruitment, classification, and administration of discipline.

QUESTIONNAIRE RESULTS

A grand total of 489 questionnaires were completed by NAF supervisors and employees at Heidelberg, Stuttgart, and Frankfurt. There were two questionnaires completed by each person - one, an Army questionnaire consisting of 34 questions (with an additional 5 for supervisors only) designed to obtain perceptions concerning personnel management practices and programs; the other, a Navy questionnaire consisting of 66 questions designed to solicit workforce feelings and attitudes toward organization and changes thereto. The completed questionnaire results will be sent to the Navy Personnel Research and Development Center, San Diego, California. The Center, which serves as DoD's evaluation agency for experimental personnel projects, will do a detailed analysis and furnish us the results of that analysis. In the interim and to provide a flavor of supervisor and employee attitudes and perceptions, the following results by topical heading are furnished:

Organizational Environment. Respondents' satisfaction with their immediate supervisor is highest at Heidelberg with 57.9% satisfied, followed by Stuttgart at 54.3%, and Frankfurt with 51.1%. All in all, the vast majority of respondents agree that they have a good supervisor with 62.1% at Heidelberg, 61.5% at Stuttgart, and 61.4% at Frankfurt so agreeing.

Only 37.5% of the respondents at Frankfurt, 25.1% at Stuttgart, and 22.5% at Heidelberg agree that communications in their organizations tend to be good. Asked to rate how well (or poorly) their organization meets the personal needs of employees (e.g. promotions, benefits), 49.9% of Frankfurt's respondents indicated average or better, with Stuttgart at 45.8%, and Heidelberg 40.3%.

With regard to their feelings about their organization, 65.2% at Stuttgart, 57.4% at Frankfurt, and 54.7% at Heidelberg agreed that they feel a sense of commitment to their organization. Also, the majority of the respondents at Stuttgart (57.1%), and Frankfurt (53.9%), and 44.5% at Heidelberg agree that they are proud to be a part of their organization.

Recruiting. Responses by supervisors to two questions regarding recruiting results indicate greater satisfaction with NAF EXPO than traditional recruiting procedures. In response to the statement "The recruiting process helps me hire the best qualified people". 33.4% of both Heidelberg and Stuttgart supervisors indicated agreement (up from 28.1% Heidelberg and 28.5% in 1988). The 20% of supervisors in Frankfurt agreeing with the statement is considerably less than that at Heidelberg and Stuttgart, and also represents a decrease from the 27.8% agreement in 1988.

Responses to a statement regarding satisfaction with quality and availability of candidates referred for vacancies, also strongly favor the NAF EXPO process with 42.8% in agreement at Heidelberg (up from 34.4% in 1988) and 23.8% at Stuttgart (up from 19.4% in 1988). Although Frankfurt showed an increase from 10.6% in 1988, the 16.0% of supervisor satisfaction is far below Heidelberg, where a significant percentage of supervisors personally utilize EXPO's direct recruiting process.

Training. The percentage of respondents who agreed that most of the time they are able to get the training they need to do their jobs properly, increased at Frankfurt (42.7% to 46.6%) and Stuttgart (33.7% to 34.4%), and remained the same at Heidelberg (36.9% in 1988 and 1989). Also, the percentage indicating that they never receive needed training decreased at Stuttgart (16.5% to 10.2%) and Heidelberg (17.1% to 16.8%), but increased at Frankfurt (4.5% to 13.6%).

Performance Management. Job satisfaction among respondents is highest at Frankfurt (59.1%, up from 53.5% in 1988), nearly as high at Heidelberg (57.9%, up from 52.7% in 1988), and lowest at Stuttgart (54.3, down from 61.3% in 1988). However, a greater percentage of respondents at Stuttgart (74.2%, up from 72.3% in 1988) agreed that their job makes good use of their abilities than was the case at Frankfurt (69.3%, up from 61.7% in 1988), and Heidelberg (56.4%, up from 55.8% in 1988).

Supervisors were asked if their employees have current performance standards. Stuttgart fared best with 62.5% of its supervisors responding in the affirmative (up from 60% in 1988) and only 1.6% stating that none of their employees have current standards (down from 3.8% in 1988). Heidelberg showed a slight increase on the "yes" answer (47.6% vs 47.0% in 1988), but also showed an increase in the "none" answer (11.9% up from 10.6%). Frankfurt results indicate a need for attention to be given by supervisors in the matter of performance standards with 48% indicating that their employees have current standards (down from 66.7% in 1988) and 24% indicating that none of their employees had current standards. The latter percentage is an increase from 0% in 1988.

In response to the statement "My supervisor discussed my job performance with me during the last year", three choices were available: "yes", "no", and "haven't been here for a year". In Heidelberg, 54.7% responded "yes" (up from 35%) and 22.2% responded "no" (down from 30.7%). Stuttgart also showed improvement with 52.2% "yes" (up from 39.6%) and 24.2% "no" (down from 32.9%). Frankfurt showed an increase in the "yes" answer with 42.5% (up from 37.8%), but reflected an increase in the "no" answer (31.0% up from 25.6%).

Finally, respondents were asked "How satisfied are you with the recognition you get for doing your job?" Stuttgart leads a close race with 35.3% satisfied (slightly down from 37.3% in 1988), Frankfurt had 34.2% satisfied (up from 29.7%), and Heidelberg indicated 31.9% satisfied (up from 29.6%).

CONCLUSION

Looking back at USAREUR NAF EXPO's first year one must give recognition to the achievement of a remarkable effort, beginning with an idea conceived by task team members in Pentagon meetings, through program development by USAREUR managers and civilian personnelists, to implementation and utilization by supervisors and employees in NAFI's throughout the Heidelberg and Stuttgart Military Communities. The fact that an innovative NAF personnel program representing a radical departure from the traditional, could be taken from idea to operation, in a relatively short time period with a substantial measure of success, belies the skepticism demonstrated by those who would oppose the experiment from its outset. The fact that an experimental program by its very nature will require close scrutiny and careful adjustment over time should be evident. Such adjustments are now required in USAREUR's NAF EXPO. These adjustments range from the need to improve management philosophy and employee acceptance of management's actions in EXPO, to the implementation of changes in the mechanism of EXPO program parts.

Given the extent of management's delegated authorities and prerogatives for independent action in EXPO, primarily in recruitment, pay setting and the granting of salary increases and performance bonuses, the potential for exercising favoritism or, at the least, giving the perception of favoritism, is high. Favoritism, whether real or perceived, was a concern expressed by some employees and first- and mid-level supervisors during the on-site assessment. In attempting to solve the problem, care must be exercised so as not to impose remedies which will obviate management's authorities and prerogatives to operate. Controls, if imposed, need to be carefully balanced against the very management liberalities intended in EXPO. With that principle in mind, the following approaches gleaned from the on-site assessment should be considered:

- The need for additional/continual manager/supervisor training in the EXPO system is evident from all quarters. Tailor-making training to satisfy the particular needs of a given organization or NAFI (e.g. giving emphasis to recruitment procedures where management needs to give increased attention to military spouse and family member requirements) should provide a basis for improving program integrity. With regard to the underlying EXPO principle "Given the knowledge and opportunity, military and civilian managers will do what is right", management has been given the opportunity to utilize EXPO, but apparently needs to increase its knowledge to perfect its use of the system.
- The need for greater top command involvement in the EXPO system via IPR's to NAFI commanders and before-the-fact consideration of such matters as salary increases and performance bonus awards. The issuance of top command guidance to NAF managers regarding program integrity and command philosophy would surely be of benefit.

Increased employee acceptance of management's actions in EXPO should follow as a consequence of the above considerations. Also, a better informed workforce through employee training in EXPO would preclude misinterpretations of management actions and provide insight to the objectives of the EXPO system. Presentation of salary increase and performance bonus awards at employee gatherings (preferably with some mention by managers of the justification therefor) should go along way in dispelling perceptions of favoritism. The active presence of a NAF EXPO "ombudsman" as suggested in this report could be an invaluable asset to employees' acceptance of EXPO.

Changes to the mechanics of the EXPO program fall into three categories. First, recommended changes as specified in this report that are internal to Heidelberg or Stuttgart fall within the purview of the respective evaluation committee/CPO to implement, e.g. the conduct of management/supervisor and employee training, and the development and implementation of SOP's. Second, the development of a NAF EXPO Recruitment and Placement Handbook, as recommended by both Heidelberg and Stuttgart managers, should be a joint effort between HQ USAREUR, ODCSPER, and the two community CPO's. Third, a substantive change to EXPO's performance evaluation process will be recommended by HQ USAREUR, ODCSPER, to HQDA/OSD for approval.

APPENDIX G
MEASUREMENT PERIODS FOR AIR FORCE SITES

Table G-1
Measurement Periods for Air Force Sites

<u>Site</u>	<u>Baseline</u>	<u>Time 1</u>	<u>Time 2</u>	<u>Time 3</u>	<u>Time 4</u>	<u>Time 5</u>
Andrews	1 May 88 - 31 Oct 88	1 Jun 89 - 30 Jun 89	1 Jul 89 - 31 Dec 89	1 Jan 90 - 30 Jun 90	1 Jul 90 - 30 Sep 90*	-
Chanute	1 Jan 88 - 30 Jun 88	1 Jul 88 - 31 Dec 88	1 Jan 89 - 30 Jun 89	1 Jul 89 - 31 Dec 89	1 Jan 90 - 30 Jun 90	1 Jul 90 - 30 Sep 90*
Davis-Monthan	1 Jan 88 - 31 Jul 88	15 Aug 88 - 15 Feb 89	16 Feb 89 - 30 Jun 89	1 Jul 89 - 31 Dec 89	1 Jan 90 - 1 Jun 90	1 Jul 90 - 30 Sep 90*
Hickam	1 Jan 88 - 30 Jun 88	1 Jul 88 - 31 Dec 88	1 Jan 89 - 30 Jun 89	1 Jul 89 - 31 Dec 89	1 Jan 90 - 30 Jun 90	1 Jul 90 - 30 Sep 90*
Milnot	1 Jun 88 - 30 Nov 88	1 Dec 88 - 30 Jun 89	1 Jul 89 - 31 Dec 89	1 Jan 90 - 30 Jun 90	1 Jul 90 - 30 Sep 90*	-
Patrick	1 Feb 88 - 31 Jul 88	1 Aug 88 - 31 Dec 88	1 Jan 89 - 30 Jun 89	1 Jul 89 - 31 Dec 89	1 Jan 90 - 30 Jun 90	1 Jul 90 - 30 Sep 90*
Sembach	1 Dec 87 - 31 May 88	1 Jun 88 - 30 Nov 88	1 Dec 88 - 30 Jun 89	1 Jul 89 - 31 Dec 89	1 Jan 90 - 30 Jun 90	-
F. E. Warren	1 Jun 88 - 30 Nov 88	1 Dec 88 - 30 Jun 89	1 Jul 89 - 31 Dec 89	1 Jan 90 - 30 Jun 90	1 Jul 90 - 30 Sep 90*	-

* Indicates a time frame of less than 6 months

APPENDIX H
AIR FORCE NAF OPERATIONAL INDICATORS

TABLE H-1
AIR FORCE NAF OPERATIONAL INDICATORS

	Baseline	Time 1	Time 2	Time 3	Time 4	Time 5
Ratio of Flexible to Permanent Employees						
Andrews	.40	.45	.50	.51	.54	-- ^a
Chanute	.44	.39	.46	.48	.50	.49
Davis-Monthan	.52	.52	.54	.56	.55	.56
Hickam	.49	.47	.49	.49	.49	.48
Minot	.66	.77	.77	.79	.74	--
Patrick	.38	.38	.39	.40	.39	.39
Sembach	.66	.66	.74	.74	.70	--
Warren	.55	.58	.57	.63	.68	--
Gross Pay Accounted For by Regular Pay(%)						
Andrews	90	88	85	89	89	-- ^a
Chanute	97	98	94	95	91	88
Davis-Monthan	96	97	96	96	94	95
Hickam	90	90	90	91	91	89
Minot	95	95	96	96	97	--
Patrick	93	92	93	93	95	93 ^a
Sembach	96	96	96	95	95	--
Warren	88	89	95	94	93	--
Resignations						
Andrews	207	229	303	252	216	-- ^a
Chanute	105	79	80	105	125	75
Davis-Monthan	111	108	97	139	106	73 ^a
Hickam	266	301	279	347	308	233 ^a
Minot	151	122	117	100	48	--
Patrick	178	189	187	167	145	82 ^a
Sembach	154	158	195	218	168	--
Warren	52	79	74	49	35	--
Terminations						
Andrews	11	35	40	43	20	-- ^a
Chanute	4	19	6	18	15	10
Davis-Monthan	10	13	16	17	18	17
Hickam	49	60	38	36	32	24
Minot	123	26	18	16	14	--
Patrick	12	16	22	16	14	10
Sembach	0	5	8	15	15	--
Warren	24	10	11	11	9	--

^a Dash indicates data not available.

	Baseline	Time 1	Time 2	Time 3	Time 4	Time 5
Veterans Hired						
Andrews	6	6	5	2	0	-- ^a
Chanute	2	1	0	0	0	0
Davis-Monthan	5	6	8	10	7	4 ^a
Hickam	4	17	7	1	1	1
Minot	0	0	0	0	0	--
Patrick	19	16	17	20	10	7
Sembach	1	2	0	--	--	--
Warren	4	16	1	0	0	--
Military Spouses Hired						
Andrews	10	12	23	6	9	-- ^a
Chanute	45	49	48	90	69	28
Davis-Monthan	5	4	4	9	4	6
Hickam	4	33	50	57	37	22
Minot	58	41	29	27	8	--
Patrick	4	5	15	16	21	10
Sembach	50	48	94	100	76	--
Warren	5	26	7	4	5	--
Minorities (%)						
Andrews	--	34	38	41	42	-- ^a
Chanute	30	31	36	34	33	31
Davis-Monthan	44	41	44	42	37	39
Hickam	--	--	--	60	58	58
Minot	--	24	25	25	24	--
Patrick	36	35	35	35	39	38
Sembach	8	15	14	28	30	--
Warren	--	21	27	39	27	--
Females (%)						
Andrews	--	56	57	56	55	-- ^a
Chanute	66	68	63	66	66	65
Davis-Monthan	61	59	58	57	56	56
Hickam	--	--	--	60	60	57
Minot	--	79	79	76	77	--
Patrick	61	60	59	61	62	61
Sembach	23	35	34	53	66	--
Warren	--	54	63	53	50	--

^a Dash indicates data not available.

APPENDIX I
QUESTIONNAIRE RESPONSE RATE

APPENDIX I
QUESTIONNAIRE RESPONSE RATE

<u>Site</u>	<u>Year 1 Administration</u>	<u>Year 2 Administration</u>
Air Force		
Andrews	-	28% ^a
Chanute	-	36%
Davis-Monthan	88%	19%
Hickam	-	17%
Minot	45%	56%
Patrick	33%	39%
Sembach	50%	11%
Warren	-	29%
U. S. Army Europe		
Heidelberg	39%	29%
Stuttgart	51%	35%
Frankfurt	31%	16%
Army TRADOC		
Eustis	28%	23%
Gordon	41%	24%
Navy		
NAS Alameda	56%	21%
NS SD	65%	46%
NTS SD	81%	64%
NSB NL	22%	0% ^b
NS Rota	66%	87%
TOTAL	45%	29%

^aEmployees' questionnaires unusable due to printing error.

^bAll completed questionnaires lost in the mail.

APPENDIX J

**FINANCIAL INFORMATION FOR SELECTED ACTIVITIES
AT ARMY TRADOC SITES**

TABLE J-1
FINANCIAL INFORMATION FOR SELECTED ACTIVITIES AT ARMY TRADOC SITES

<u>Test Period</u>						
FORT GORDON	JUL 89	AUG 89	SEP 89	OCT 89	NOV 89	DEC 89
Officers' Club						
Revenues	\$ 60,295	\$ 82,937	\$ 61,816	\$ 71,724	\$ 75,239	\$ 80,303
Net Income ^a	3,428	1,314	9,298	17,842	3,466	6,638
NCO/Enlisted Clubs						
Revenues	135,833	125,161	132,637	144,116	139,500	107,484
Net Income	18,888	5,301	10,613	8,901	11,361	492
Golf Course (9 Hole)						
Revenues	10,743	10,582	8,659	7,753	7,111	2,537
Net Income	1,070	1,196	985	833	686	1,794
Golf Course (18 Hole)						
Revenues	79,991	80,102	70,019	68,337	59,857	36,501
Net Income	27,554	23,528	12,527	20,030	4,907	11,949
Bowling Center (16 Lanes)						
Revenues	22	525	6,063	9,412	8,386	6,504
Net Income	2,109	194	524	2,219	3,086	970
Bowling Center (24 Lanes)						
Revenues	56,509	58,088	56,982	53,297	65,482	51,652
Net Income	8,508	12,465	14,519	6,302	18,288	5,855
Marina						
Revenues	18,322	15,419	13,362	7,409	5,161	5,050
Net Income	7,189	281	1,214	4,637	2,893	948

^a Net income figure is before depreciation.

TABLE J-1 (cont.)
FINANCIAL INFORMATION FOR SELECTED ACTIVITIES AT ARMY TRADOC SITES

FORT EUSTIS	<u>Test Period</u>					
	JUL 89	AUG 89	SEP 89	OCT 89	NOV 89	DEC 89
Officers' Club						
Revenues	\$61,882	\$62,007	\$60,138	\$70,605	\$54,596	\$74,106
Net Income	19,067	23,565	5,112	2,691	20,022	8,764
Fort Story Officers' Club						
Revenues	81,472	60,307	72,269	37,497	36,001	68,931
Net Income	13,565	969	11,412	8,766	7,278	16,084
NCO/Enlisted Clubs						
Revenues	38,850	51,028	51,484	33,581	41,366	42,141
Net Income	19,313	4,000	28,052	9,680	6,658	1,671
Golf Course						
Revenues	88,253	79,377	61,855	61,187	45,554	30,578
Net Income	25,619	6,752	7,318	2,998	1,636	14,877
Bowling Center						
Revenues	22,881	22,229	47,663	60,687	57,666	42,961
Net Income	9,805	13,183	714	11,176	2,029	1,548

APPENDIX K

MEASUREMENT PERIODS FOR NAVY SITES

Table K-1
Measurement Periods for Navy Sites

Site	Baseline	Time 1	Time 2
Naval Air Station, Alameda	Apr 89-Sep 89	Sep 89-Mar 90	Apr 90-Sep 90
Naval Station, San Diego	Feb 89-Aug 89	Sep 89-Mar 90	Apr 90-Sep 90
Naval Training Station, San Diego	Mar 89-Aug 89	Sep 89-Mar 90	Apr 90-Sep 90
Naval Submarine Base, New London, Groton, CT	Apr 89-Sep 89	Oct 89-Feb 90	Mar 90-Sep 90
Naval Station, Rota, Spain	Sep 88-Sep 89	Sep 89-Sep 90	

Notes. 1. EXPO = Experimental Civilian Personnel Office Project.
 2. Overlapping dates mean that one period ended and the next period began in mid-month.

APPENDIX L
NAVY NAF OPERATIONAL INDICATORS

Table L-1
Navy NAF Operational Indicators

	NAS Alameda			NS San Diego			NAS Rota			NS New London			NTS San Diego		
	4/89-9/89	10/89-3/90	4/90-9/90	2/89-8/89	9/89-3/90	4/90-9/90	9/88-8/89	9/89-8/90	4/89-10/89	11/89-2/90	3/89-9/90	2/89-8/89	9/89-3/90	4/90-9/90	
MWR Employees	263	245	242	681	633	646	166	162	317	329	367	444	457	453	
UA, AS, PS	111	92	90	337	313	333	134	139	155	177	220	216	226	224	
CT	152	153	152	344	320	313	32	23	162	152	147	228	231	229	
Positions Filled	130	98	107	280	227	242	166	162	187	93	226	142	132	70	
UA, AS, PS	40	34	45	136	122	92	134	139	106	51	134	77	55	38	
CT	90	64	62	144	105	150	32	23	81	42	92	65	77	32	
Terminations	148	116	110	341	227	190	2	14	69	51	45	165	96	74	
UA, AS, PS	41	53	47	171	119	81	2	14	28	--	--	87	40	41	
CT	107	63	63	170	108	109	0	0	41	--	--	78	56	33	
Positions (In House)	13	11	8	40	30	36	35	16	28	6	18	16	3	4	
UA, AS, PS	7	10	5	19	16	12	32	14	23	2	11	10	3	3	
CT	6	1	3	21	14	24	3	2	5	4	7	6	0	1	
Separations	148	116	110	341	227	190	121	189	225	134	188	165	96	74	
Registrations	80	50	70	288	207	163	113	128	155	83	139	156	94	73	
Terminations/Removals	65	61	40	23	20	25	8	14	69	51	45	9	1	1	
Business/Separations	0	5	0	30	0	2	0	0	1	0	4	N/A	1	0	
Adverse Actions/EXPO															
Business-Based Actions	0	0	0	6	4	13	0	2	5	0	5	0	0	2	
RIF	0	0	0	1	0	0	0	0	5	0	0	0	0	0	
Suspensions	0	0	0	5	4	11	0	2	0	0	0	0	0	0	
Demotion	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
BBA*	0	0	1	0	0	0	2	0	0	0	5	N/A	0	2	
Pay Adjustment												0	0	NA	
PS, AS, UA	3	10	47	224	61	102	80	208	0	0	0	NA	55	21	

* Note. A double dash (--) indicates that no data were available.

* BBA = Business Based Actions

Table L-1 (cont.)
Navy NAF Operational Indicators

	NAS Alameda			NS San Diego			NAS Rota			NS New London			NTS San Diego		
	4/09-9/09	10/09-3/10	4/09-9/09	9/09-3/10	4/09-9/09	9/09-3/10	4/09-9/09	9/09-3/10	4/09-9/09	9/09-3/10	4/09-9/09	9/09-3/10	3/09-9/09	4/09-9/09	
Military Spouses b	22%	45%	56%	27%	29%	28%	80%	87%	19%	21%	33%	25%	26%	26%	
EEO Statistics															
Minorities	63%	64%	63%	54%	54%	54%	15%	31%	29%	25%	29%	58%	64%	66%	
Females	60%	59%	54%	43%	48%	47%	72%	86%	35%	53%	50%	44%	39%	43%	
EEO Complaints	2	1	0	0	0	0	2	1	0	0	0	2	0	3	1
Grievance/Adverse Actions															
Staffing	-	-	-	0	0	0	0	0	0	0	0	2	1	0	0
Classification	-	-	-	0	0	0	0	0	0	0	0	0	0	0	0
Performance Management															
Actions	3	0	0	0	0	0	0	1	3	0	0	0	0	0	0
Performance Appraisals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Working Conditions	0	0	0	0	0	0	0	0	0	0	0	0	1	2	1
Disciplinary	0	0	0	53	38	23	0	2	0	0	0	1	1	2	1
Unsatisfactory Performance															
Actions	0	0	0	9	4	0	7	0	0	1	1	1	1	1	0
Average Payroll Costs (Per Pay Period)															
Gross Payroll	\$99,405	\$93,000	\$92,205	\$295,881	\$286,989	\$295,589	\$1,831,672	\$1,746,105	\$120,095	\$123,290	\$122,910	\$148,102	\$153,214	\$151,112	
Regular Payroll	\$69,633	\$67,262	\$66,712	\$225,495	\$228,632	\$237,607	\$1,756,540	\$1,743,805	\$86,600	\$111,950	\$110,820	\$125,620	\$127,475	\$135,086	
Sunday Premium	\$1,480	\$1,577	\$1,363	\$4,026	\$2,800	\$2,554	\$2,800	\$0	\$52	\$0	\$0	\$779	\$1,718	\$660	
Night Shift Differential	\$25,977	\$22,626	\$22,035	\$66,360	\$55,997	\$55,428	\$72,332	\$22,300	\$223,847	\$39,948	\$11,090	\$21,704	\$24,020	\$15,366	
Overtime	\$2,234	\$1,535	\$1,095	-	-	-	-	-	-	-	-	-	-	-	

b Percent of new hires who used spouse preference.

APPENDIX M

**SUMMARY OF ORGANIZATIONAL CLIMATE CHARACTERISTICS FOR
AIR FORCE, USAREUR, AND TRADOC NAF SITES**

Table M-1

Summary of Organizational Climate Characteristics for Air Force, USAREUR, and TRADOC NAF Sites

Organizational Climate Characteristics	Air Force				USAREUR			TRADOC	
	Davis-Monthan	Miramar	Patrick	Sembach	Heidelberg	Stuttgart	Frankfurt	Ft. Gordon	Ft. Eustis
Organizational Clarity	4.4 ^a	4.5	4.8	4.5	4.2	4.1	4.2	3.9	4.4
Organizational Integration	4.4	4.0	4.6	5.0	3.7	3.8	3.5	3.6	4.1
Management Style	4.9	4.5	5.0	5.5	4.2	4.1	4.2	3.8	4.8
Organizational Vitality	4.8	4.5	5.2	4.8	4.0	4.0	3.9	3.6	4.8
Human Resource Development	5.0	4.5	4.5	4.8	3.9	3.9	3.8	4.3	4.0
Resistance to Change	3.9	4.2	4.5	4.2	4.0	3.9	4.1	4.0	4.0
Decision-making Structure	4.6	4.4	4.9	4.5	3.9	3.9	3.8	3.5	4.5
Organizational Accommodation of Change	4.8	4.8	5.2	5.5	4.2	4.3	4.3	4.1	4.8
Organizational Commitment	5.5	5.2	6.1	4.6	4.7	4.7	4.4	5.0	5.6
Job Satisfaction	5.2	5.3	5.7	5.2	4.4	4.5	4.6	5.9 ^c	6.0 ^c
Organizational Effectiveness ^b	6.5	6.0	6.9	6.0	5.0	5.0	4.9	5.5	5.7

Notes. 1. USAREUR = U.S. Army Europe.

2. TRADOC = Training and Doctrine Command.

3. NAF = Nonappropriated Fund.

*The higher the score, the more positive the response.

^a9 point scale; all others are 7-point scales.^b9 point scale at TRADOC only.

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